

SOUTH AUSTRALIA

PARLIAMENTARY DEBATES

(HANSARD)

Third Session of the Forty-Seventh Parliament
(1991)

Parliament, which adjourned on 11 April, was prorogued by proclamation dated 9 May. By proclamation dated 9 May, it was summoned to meet on Thursday 8 August, and the third session began on that date.

LEGISLATIVE COUNCIL

Thursday 8 August 1991

The **PRESIDENT (Hon. G.L. Bruce)** took the Chair at 12 noon.

OPENING OF PARLIAMENT

The Clerk (Mr C.H. Mertin) read the proclamation by Her Excellency the Governor (Dame Roma Mitchell) summoning Parliament.

GOVERNOR'S SPEECH

Her Excellency the Governor, having been announced by Black Rod, was received by the President at the bar of the Council Chamber and by him conducted to the Chair. The Speaker and members of the House of Assembly having entered the Chamber in obedience to her summons, Her Excellency read her opening speech as follows:

Honourable Members of the Legislative Council and Members of the House of Assembly:

1. I have called you together for the dispatch of business.

2. It is with regret that I record the deaths of three Members of this Parliament since the previous address in this place.

The Honourable Dr Victor George Springett, Member of the Legislative Council from 1967 to 1975, died on 8 September 1990; Mr Geoffrey O'Halloran Giles, Member of the Legislative Council from 1959 to 1964, and subsequently a Member of the House of Representatives, died on 18 December 1990; and the Honourable Clarence Ross Story, Member of the Legislative Council from 1955 to 1975, died on 9 May 1991.

Mr Story served as Minister of Agriculture and Minister of Forests from 1968 to 1970.

I know that you will join me in expressing sympathy to the relatives of these past Members. Each made a noteworthy contribution to the conduct of Parliament and Government in this State.

3. The task of Government is shadowed by an unprecedented range of issues that impact on most South Australians.

These concerns are not confined by State or even national borders; world wide, economies are under stress, a fact which puts our local situation in some perspective.

However there are encouraging signs in key areas of activity, including private dwelling construction, consumer confidence, and retail sales, that the worst of the recession is probably behind us.

At this stage, my Government recognises the vital need to take account of proper concerns about overall economic management while looking ahead to the challenges and the opportunities of this decade.

The economic climate has added urgency to my Government's efforts in micro-economic reform and this has seen the development of a plan for long-term industrial development. The State's ports and utilities are being made more commercial.

4. My Government and industry are cooperating in many areas, with energies focused on increasing productivity, minimising costs, improving quality and better development of markets and products.

A new Manufacturing Division has been created in the Department of Industry, Trade and Technology to strengthen the entire manufacturing sector, in the face of progressive dismantling of tariff protection by the Federal Government.

Special task forces involving Government and industry are working together to facilitate the restructuring of the automotive and components manufacturing sector and the textile, clothing and footwear industry.

5. My Government believes it is vital that, as we move out of the recession, there are in place policies and projects which will position South Australia to take the best advantage of new business activity, increased employment opportunity, and a secure outlook for our young people.

The Multifunction Polis, proposed and recommended around a core site at Gillman, is one area in which this State has the potential to develop a project involving all of these opportunities.

Work by specialist feasibility consultants, the appointment of an international advisory board and the recent announcement of the Federal Government's support for MFP-Adelaide all point to a development which will have an international impact.

In pursuing the MFP proposal, my Government intends to introduce legislation for a Development Corporation responsible for the overall management of MFP-Adelaide.

This will include land acquisition and holding, leasing, developing and disposing of property; provision of public works; the ability to enter into joint ventures; the power to borrow money with the consent of the Treasurer for work and development related to MFP-Adelaide.

It is proposed that the legislation be assigned to the Premier with the Corporation required to report regularly on its proposals.

6. My Government also plans to establish a Joint Councils Authority involving Port Adelaide, Enfield and Salisbury to coordinate Local Government services with the core site at Gillman. Amending legislation will be introduced under section 200 of the Local Government Act to enable State and Local Government representatives to be involved.

7. Another area of forward planning instigated by my Government is the Planning Review, with its strategies for development over the next thirty years.

Following the release of '2020 Vision—Ideas for Metropolitan Adelaide', it is now planned to incorporate the Review's findings in a strategic plan.

The Review proposes an amalgamation of the principal Acts affecting private development including the Planning Act, Building Act, Heritage Act, City of Adelaide Development Control Act, and Land Division provisions of the Real Property Act.

These proposals are included in a Green Paper to be released for comment early next year.

8. On a broader economic front my Government is working to pursue reform measures first developed at the Special Premiers' Conference in October last year, and further discussed at a Premiers' meeting last week.

At the core of these changes is a desire to remove inefficiencies and overlaps between national and State provision of services.

In turn this should lead to improved services, greater budget flexibility, and a more responsive atmosphere governing Federal and State financial arrangements.

9. My Government is planning new legislation that will benefit the agricultural community.

Legislation will be introduced to restructure the Australian Barley Board and to facilitate the more efficient marketing of barley in South Australia. As the Australian Barley Board is constituted by legislation in South Australia and Victoria, similar legislation is also planned by the Victorian Government.

Also, the Meat Hygiene Act is to be broadened in relation to premises and products that are subject to the Act.

10. Despite early predictions of a very difficult year for South Australia's grain crops, late rains have helped boost prospects of improved yields within the rural sector.

11. However, the financial situation facing many farmers remains difficult. Conditions in the international market continue to present producers with the prospect of major falls in income.

Fears in March 1991 that up to 5 000 farmers would not be able to obtain carry-on finance have not been realised. It seems likely that less than 500 farmers have not been able to obtain carry-on finance but there is concern about the number who have had stringent conditions applied to their finance.

While my Government has acted to ensure services to rural areas can cope with increased demand, representations will continue to be made to Canberra on a range of rural issues in order that the long-term productivity of the human, financial and natural resources of the agricultural sector in South Australia is maintained.

12. The current climate of national economic restraint has reinforced the need for the Social Justice principles introduced by my Government four years ago.

At the same time Social Justice considerations will continue to underpin the Government Agency Review Group and to influence some of its specific tasks such as concessions.

13. In the area of Consumer Affairs my Government continues to take a leading role in ensuring that South Australians are given adequate protection in all business dealings.

My Government will introduce uniform trade measurements legislation to set standards of accuracy for goods sold by measurement. This is part of a national agreement aimed at consistency, which will benefit both consumers and retailers.

14. My Government is committed to protecting consumers from unethical business practices and this year will further expand information and education programs for consumers and industry. These initiatives will be targeted at groups or individuals vulnerable because of language or other difficulties.

15. Following a wide ranging review, my Government will continue with the Government Energy Management Program for at least another three years. Its main aims are to achieve a significant reduction in expenditures on fuel and electricity consumed in the operation of Government departments and agencies and to provide a lead to the community in the adoption of cost effective energy conservation measures.

16. As part of the ongoing program to review water-related legislation, my Government will introduce three Bills covering the management of surface water in the South-East, the State's water supply and sewerage services, and irrigation services in private and Government irrigation districts.

Two important milestones in the metropolitan water filtration programs will occur in the latter part of this year. The first is completion of Stage 2 of the Happy Valley Water Filtration Plant. By the end of the year filtered water will be supplied to Blackwood, Belair, Coromandel Valley, Happy Valley and Aberfoyle Park.

The second milestone should be the commencement in October, subject to the report of the Public Works Standing Committee, of the Myponga Water Filtration Plant. This will be the sixth and final plant in the metropolitan filtration program. It will serve the metropolitan area south of the Onkaparinga River, the South Coast district including Yanakalilla, Myponga, Normanville and Carrickalinga, and the Encounter Bay area from Victor Harbor to Goolwa.

17. South Australia continues to lead Australia in the provision of affordable housing, with recent surveys showing an Adelaide advantage for first home buyers. My Government continues its efforts in helping South Australians find comfortable and affordable housing. Legislation will be introduced to provide a new framework for the ongoing development of cooperative housing, which gives low income households the opportunity directly to manage their homes in a way not possible in public housing.

18. Other legislation will bring Housing Trust tenancies under certain provisions of the Residential Tenancies Act. This will provide both tenants and the Trust with the same rights and responsibilities as tenants and landlords in the private sector, although Trust tenancies will be excluded from some provisions not consistent with public housing policy.

19. My Government plans a number of initiatives aimed at giving young South Australians access to world standard education, as well as boosting programs to improve employment opportunities.

Following the amalgamation of five South Australian tertiary institutions into a three university system my Government is proceeding to ensure that State objectives in tertiary education work closely into national priorities.

My Government is broadening the base from which overseas students are recruited for South Australian universities and in a strong marketing move ensuring South Australia is an attractive and worthwhile destination for overseas students.

20. Equity and Social Justice remain guiding principles for my Government in the provision of education for students with disabilities. A new policy will result in neighbourhood schools becoming the initial point of contact for students with disabilities seeking appropriate enrolment. All relevant Government and non-government health and welfare agencies will be involved with parents, teachers and school principals in deciding appropriate subjects and support services for individual students.

21. South Australia has been in the forefront of developing innovative employment and training programs. My Government will embark on expanded regionally-based employment and training strategies extending to all of South Australia over three years.

This will require the cooperation of private employers, Local Government and community groups as well as the State and Federal Governments. Local communities will plan needs-based employment and training programs for their own areas and be provided with the funds and resources to do so.

22. In keeping with a previous commitment by the Premier indicating that action will be taken to ensure that the workers compensation scheme, WorkCover, is nationally competitive, amendments will be proposed to tighten the operation of the system to make it more cost effective.

23. My Government will continue its extensive program to upgrade the standard of health and safety in South Australian workplaces.

The promotion of a national code in this area will be reflected in new regulations to be placed before this Session of Parliament. The changes, addressing such topics as manual handling and hazardous substances, have been developed with the active involvement of the other States and with input from employer and employee organisations.

24. In accordance with overall Government plans to find new efficiencies in the delivery of public services, the administration of the South Australian health system is under review.

New arrangements are being proposed so that services may be delivered on an area basis, making them more efficient, better coordinated and more responsive to the needs of individual communities.

The findings of major efficiency reviews at the Royal Adelaide and Queen Elizabeth hospitals will be extended to other metropolitan and major country hospitals.

25. My Government plans a number of major new legislative changes dealing with the administration of justice.

Measures include a new Act for the Magistrates and District Courts. The Magistrates Court will have both a civil and criminal jurisdiction, the civil provisions replacing the old Local Courts of limited jurisdiction provisions. This will result in more matters being heard in the Magistrates Court, where costs are lower. This will improve access to the law for many people.

26. A Bill will allow for strata title disputes to be heard in the Magistrates Court. This will overcome a major difficulty confronted by people in strata title schemes who have no satisfactory forum for the resolution of their disputes.

27. A number of measures debated in the last Session will be reintroduced, including a Code for Self-defence, and the abolition of the Year and a Day Rule. The Wrongs Act Amendment providing for parental responsibility for the

criminal behaviour of children in some circumstances, will also be reintroduced following consideration by Select Committee.

28. In addition, there will be an overhaul of offences dealing with corruption and bribery.

29. A Final Report on South Australian NCA reference No. 2 will be presented to the Government and the Attorney-General will give a comprehensive statement to Parliament later in the Session.

30. My Government continues with its strong commitment to recognising the circumstances and needs of victims of crime. The Criminal Injuries Compensation Act will be amended so that South Australian citizens injured as a result of a criminal act overseas will be able to apply for compensation in South Australia.

31. My Government intends to continue the process of reform in the taxi and hire vehicle industry, removing excessive restrictions on day-to-day operations.

The Metropolitan Taxi-Cab Act will be amended to bring into effect reforms recommended by the Regulatory Review Panel into the industry which reported in June last year.

Major reforms include streamlining of the operation of the Metropolitan Taxi-Cab Board, fare discounting, and encouragement of multiple hiring.

32. The protection of the South Australian environment continues to be a central concern for my Government.

My Government is proposing a new approach that involves setting up an Environmental Protection Authority, replacing a series of Acts with a single Environmental Protection Act and adopting a Charter on Environmental Quality.

33. The Environment Protection Council has been meeting regularly since February 1991 to prepare regulations for the administration of the Marine Environment Protection Act. Regulations are expected to be tabled later in this Session of Parliament and licensing of point discharges is expected to start in 1992.

34. A new Geographical Names Act will be introduced in this Session. In line with my Government's commitment to removing Statutory Boards, where appropriate, this legislation will abolish the Geographical Names Board and vest responsibility for place names with the Minister of Lands. It will also allow for dual naming of features which have both an Aboriginal and European name.

35. My Government has honoured its commitment to transfer to Aboriginal owners land which is culturally significant, which has potential for enterprise development, or which gives Aboriginal agencies a base from which to service special needs.

This Session legislation will add some 3 600 square kilometres of land to the Maralinga Tjarutja lands which were proclaimed in 1984.

36. In October 1990, the Premier and the President of the Local Government Association signed an historic Memorandum of Understanding covering administrative arrangements and the functional, financial and legislative relationships between State and Local Government. Discussions between representatives of the Government and the Local Government Association are proceeding. Agreements have been reached on matters including the Local Government Grants Commission and Local Government Advisory Services. It is expected that significant legislative change will be required as a result of these ongoing negotiations.

37. Tourism continues to be one of the most consistent growth industries in the world and has been identified by my Government as a key contributor to South Australia's future. The recently released third phase of the State's Tour-

ism Plan, for 1991 to 1993, provides a strategic framework for realistic tourism growth.

38. Since the selection of Adelaide to represent Australia in the quest for the 1998 Commonwealth Games, my Government, in partnership with the City of Adelaide, the Australian Commonwealth Games Association and the sports community of South Australia, has been intensively lobbying delegates of the Commonwealth Games Federation.

The competition has become very intense and will continue until the final vote is taken in July 1992.

The long-term benefits to the State of South Australia from staging a bid and, if successful, in staging the Games, will be reflected in a high profile internationally for the State and the attraction of economic activity.

39. I now declare this Session open and trust that your deliberations will be guided by Divine Providence to the advancement of the welfare of the people of this State.

The Governor retired from the Chamber, and the Speaker and members of the House of Assembly withdrew.

The President again took the Chair and read prayers.

DEATH OF Hon. C.R. STORY

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

That the Legislative Council expresses its deep regret at the recent death of the Hon. C.R. Story CMG, former member of the Legislative Council and places on record its appreciation of his distinguished public service, and that as a mark of respect to his memory the sitting of the Council be suspended until the ringing of the bells.

Mr Ross Story, former honourable member of this Council, was born in 1920 and died recently. He was a member of the Legislative Council for 20 years, from February 1955, at which time he was elected to this Council at a by-election, until July 1975. He was the member for Midland during that period prior to the introduction of the State-wide constituency and the list system. His parliamentary career included chairmanship of the Industries Development Committee and membership of the Public Works and the Subordinate Legislation committees on two occasions. He was Liberal Party Whip and, finally, he achieved the honour of appointment as a Minister—the Minister of Agriculture and Forests—in the Hall Government from 1968 to 1970.

Mr Story was defeated in the Legislative Council elections of 1975, following the change in the voting system for the Council and his not being able to secure a winnable position on the Legislative Council ticket for the Liberal Party at that time. However, Mr Story maintained a strong and influential position in the Liberal Party following his defeat in 1975, and particularly in the lead up to the 1979 election, which the Liberal Party won. He subsequently became an assistant to Premier David Tonkin and Secretary to the Cabinet of that Government.

I understand that Mr Story was the first Renmark citizen to be elected to Parliament. Riverland and irrigation matters were always important issues to him, having spent his early years working for the Renmark Irrigation Trust, on which he subsequently became a board member. Mr Story served on the Upper Murray Land Settlers Association, the South Australian Canning Fruitgrowers Association and the Renmark Fruitgrowers Cooperative Packing Company. In 1938 he joined the AIF and rose to the rank of Regimental Sergeant Major before retiring from the armed forces in 1946. Following World War II he took an active interest in the Ex-Servicemen's Association, becoming Chairman of a number of Riverland organisations for returned soldiers.

Although I did not know Mr Story as a parliamentarian, I had some contact with him when he was an official with

the Tonkin Liberal Government. He is certainly remembered by his former colleagues as a very forthright and likeable parliamentarian. He had a natural ability to get on with people and, although I am not privy to it, I understand he was very influential in the Liberal Party during his active years in it, at both local and State levels.

Mr Story was awarded a CMG (Companion of the Order of St Michael and St George) in 1981 for services to politics. He is survived by his wife and two married children. I am sure that all members in this Chamber would wish to express their condolences to his family following Ross Story's sad death. I commend the motion to honourable members.

The Hon. R.I. LUCAS (Leader of the Opposition): It is sometimes difficult to speak second in a condolence motion, particularly if one does not know the member concerned, and I guess that is one of the advantages when one is a member of the Government. But on this occasion that is not the case because I knew Ross Story for some 15 or 16 years and I counted him not only as a personal friend but also as one of that small group of trusted political confidantes who provided advice to me over the years as I progressed through the Liberal Party. I cannot remember exactly when I first met Ross, but it would have been some time in the mid 1970s, perhaps around the time that he left Parliament and started work with the Liberal Party in various positions.

In addition to the service that the Attorney has indicated, he was a very loyal supporter and servant of the Liberal Party. In the mid 1970s he worked as a researcher for one of the Federal members of Parliament. He then took executive positions within the Liberal Party in a voluntary capacity and held the position of policy coordinator for the Party for some period through the mid to late 1970s. As the Attorney has indicated, he served on the personal staff of David Tonkin and in latter years was one of the tribal elders or grey eminences of the Liberal Party. He was elected by our State Council as the trustee of the Liberal Party. The significance of that position the Hon. Trevor Griffin may better explain, but certainly it was a tribute to Ross Story that he sought that position and that the State Council of the Liberal Party over a number of years supported his remaining in that position as the trustee of the Liberal Party.

Everybody has a number of favourite Ross Story stories, a couple of which I want to place on the record. One story was told to me by a Minister in the Tonkin Government, and it is now sufficiently down the path to make it publicly known. David Tonkin as Premier, I am told, had a great liking for little blue chits or docketts—not necessarily a record of Cabinet decisions but certainly a record of decisions taken by the Premier as to what had to be done by various Ministers in the Tonkin Administration. I am advised by those who served at the time that these blue chits flew left, right and centre requiring action of various Ministers.

At that time Ross was Executive Assistant to David Tonkin—his most senior adviser. One Cabinet Minister told the story that he was particularly concerned about one blue chit (I will not mention the Minister or the matter involved). He did not think it would be productive for the action outlined in that blue chit to be followed through. He sought audience with Ross to seek advice on what might be done and Ross, in that fashion that those who worked with him over time came to know, listened to the argument, weighed things up, smiled, opened the bottom drawer of the Story cabinet, and dropped the blue chit in, never to be seen again. I understand that one or two other blue chits ended up in his drawer during that time.

The other story that has not been told (although those in Parliament some 20 years ago would know it well) was that Ross went very close to becoming Leader of the Liberal Party in the Legislative Council. Those who told me the story said that there was some balloting over some three days to try to break the deadlock between Ross and, I think, Ren DeGaris, as confirmed by the Hon. Mr Burdett nodding his head. Because of the even numbers in the Party room, and the fact that no-one would break, there must not have been a provision in Party rules at the time to break the deadlock, and the ballot for that important position went on for some three days. There are various stories—and I do not know which to believe—but eventually the deadlock was broken and, as time has shown, Ren De Garis was elected as Leader and served for a long time in that position in the Council. Ross went on in his own way serving the Liberal Party. One always wonders about the difference of one vote, but it may well have meant a different approach or emphasis had Ross been elected Leader, but one will never know.

I will share two personal stories with members involving Ross. At my wedding to Marie in 1978, I recall a look of gentlemanly bemusement on Ross's face when Marie, in an early show of equal opportunity, grabbed the microphone to respond to the speech of the best man. I do not know whether Ross had seen that happen before.

Also, during his years after serving in the Tonkin Government, Ross and his wife, Sheila, spent a good deal of time—as I subsequently found out—travelling on weekends sizing up houses as investment options. It is through the grace of Ross and Sheila that, on one Sunday afternoon in 1983, when Marie was heavily pregnant with our third child and when the house we had at Tranmere was a bit small for the increasing size of the Lucas family, Ross rolled up and said, 'We've just seen a house that we think you ought to look at.' He described the area. I said, 'Well, I think that's a bit out of our price range.' However, he had a good nose for a bargain. In fact, the house we live in to this day was one that was hunted out by Ross Story for Marie and me.

Testimony to the man and to his acceptance by members of all political persuasions was reflected at his funeral and memorial service at Kensington Gardens two or three months ago, when virtually a lock out crowd was present. Hundreds of people could not get into the church to pay their last respects. Whilst a good number of Liberal members of Parliament were present—as one would expect—a good number of Labor members of Parliament—I saw Norm Foster and a number of others—also paid their last respects to Ross Story.

I support the condolence motion and join with the Attorney-General in extending my sympathies and those of the Liberal Party to Sheila and her family.

The Hon. K.T. GRIFFIN: I join the Attorney-General and the Hon. Robert Lucas in extending my condolences to the widow and family of the late Ross Story.

Ross did give long and loyal service not only to the Parliament and to South Australia but also to many institutions and community organisations stretching from the Riverland to metropolitan Adelaide. He also gave long and valued service to the Liberal Party both in its parliamentary and organisational wings.

He did not actively seek reward and recognition, but that did come to him because of his extensive knowledge of people, activities, events in South Australia and, in later years, his experience and wisdom, which he employed in counselling those who sought advice—and sometimes those

who did not. He was affable and always willing to listen to an argument, a problem or a point of view and offer what was, generally speaking, wise advice.

His life was a record of service to the community, and his influence will be recognised by many of us from our associations, whether it be in community organisations, in the Parliament, in the Liberal Party or in the Cabinet, for many years.

The Hon. J.C. BURDETT: I support the motion and join in the condolences offered by other members. When I entered the Council in 1973, the late Ross Story was a member. He was the Deputy Leader of the Liberal Party in this place and occupied the seat now occupied by the Hon. Trevor Griffin and which I have had the honour of occupying previously. He was a father figure in the Council and was of great help to me as a new member. My wife Jean and I also remember with gratitude our friendship with Ross and his wife Sheila. He was very fond of agricultural and related matters and had been the Minister in that portfolio. He was also a complete politician and was very concerned with parliamentary tactics generally.

As has been said, when the late Ross Story ceased to be a member, he became a ministerial assistant to the Premier during the Tonkin Government. As a Minister in that Government, I found that if I wanted to see Ross the only way was to see him during the lunch period in his office while he ate his meagre sandwich lunch and to share it with him. He was generous even to the degree that he would share a lunch, which was obviously meant mainly for himself.

The late Ross Story is mentioned several times in the book recently written and launched by Stewart Cockburn—*Playford: Benevolent Despot*. I do not intend any pun—I cannot think of any other way of putting it—but the late Ross Story was a great story teller, and one of his stories is recounted in the book. I will not recount it here, except for one sentence:

The thing that motivated Tom [Tom Playford, of course] more than anything else was that he hated to lose.

I never noticed that the late Ross Story was pleased about losing, either; I think he had that in common with the late Tom Playford. I feel that in a sense the passing of the late Ross Story is the passing of an era. I certainly join in expressing condolences to his family.

The Hon. L.H. DAVIS: The late Ross Story served his country at war and his region through leadership at a very early age and his State through his parliamentary service. He entered Parliament in 1955 and it was no surprise that his maiden speech was about subjects dear to his heart—horticulture and agriculture. He understood the problems of the fruitgrowers of the River Murray region and elsewhere and fought for their cause unswervingly before and after he entered Parliament. He had a persuasive and captivating style. His fund of stories was vast, his sense of humour both sparkling and dry and his equable temperament unswerving. He was a very special person. I was privileged to count him as a very special friend. Indeed, he was a friend and confidante to many. I join my colleagues in expressing condolences to his widow and family.

Motion carried by members standing in their places in silence.

[Sitting suspended from 1.8 to 2.30 p.m.]

PETITION: PROSTITUTION

A petition signed by 75 residents of South Australia concerning prostitution in South Australia and praying that the

Legislative Council will uphold the present laws against the exploitation of women by prostitution, and not decriminalise the trade in any way, was presented by the Hon. I. Gilfillan.

PAPERS TABLED

The following papers were laid on the table:

By the Attorney-General (Hon. C.J. Sumner)—

Australian Formula One Grand Prix Board—Report, 1990.

Classification of Publications Board—Report, 1989-90.
Industrial Court and Commission of South Australia—Report, 1990-91.

Industrial Relations Advisory Council—Report, 1990.

Motor Fuel Licensing Board—Report, 1990.

Privacy Committee of South Australia—Report, 1990.

Remuneration Tribunal: Reports relating to Determinations Nos 3 and 4 of 1991.

Friendly Societies Act 1919—

General Laws of the Friendly Societies Medical Association Incorporated;

Amendments to General Rules of Independent Order of Odd Fellows Grand Lodge of South Australia, Manchester Unity Friendly Society and Lifeplan Community Services.

Rules of Court—

Local Court—Local and District Criminal Courts Act—Case Management.

Supreme Court—

Corporations (South Australia) Act—Jurisdiction.

Supreme Court Act—High Court Remissions.

Industrial Conciliation and Arbitration Act 1972—Rules—Industrial Proceedings—Forms and Jurisdiction.

Occupational Health, Safety and Welfare Act 1986—

Occupational Health and First Aid in the Workplace—Approved Code of Practice.

Regulations under the following Acts:

Boilers and Pressure Vessels Act 1968—Fees.

Dangerous Substances Act 1979—Fees.

Explosives Act 1936—Fees.

Firearms Act 1977—Fees.

Harbors Act 1936—Mooring.

Industrial Conciliation and Arbitration Act 1972—Prescribed Employers and Oath.

Land Acquisition Act 1969—Forms and Conditions.

Lifts and Cranes Act 1985—Fees.

Lottery and Gaming Act 1936—

Expiration (Amendment).

Licence Numbers.

Marine Act 1936—

Certificate of Competency Fees.

Survey Fees.

Occupational Health, Safety and Welfare Act 1986—

Asbestos—Fees.

Confidentiality of Health Records.

Construction Safety—Fees.

Health and First Aid.

Strata Titles Act 1988—

Fees.

Record Keeping and Information.

Summary Offences Act 1953—

Photographic Detection Devices.

Traffic Infringement Notice Fees.

Superannuation Act 1988—

Commutation Limits.

Lotteries Commission Staff.

STA Employees.

Non-monetary Remuneration

Worker's Liens Act 1893—Fees.

Workers Rehabilitation and Compensation Act 1986—

Claims and Registration.

Claims and Registration—

Levy and Expiation Fees.

Sporting Professionals.

Disclosure of Information.

Forms.

Review and Appeals—Costs and Appeals.

By the Minister of Corporate Affairs (Hon. C.J. Sumner)—

Regulations under the following Acts—

Associations Incorporation Act 1985—Fees.

Business Names Act 1963—Fees.

Co-operatives Act 1983—Fees.

Credit Unions Act 1989—Fees.

Trustee Act 1936—Housing Loans Insurance Corporation Ltd.

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

Australian Agricultural Council—Resolutions of 135th Meeting, 15 February 1991.

Australian Soil Conservation Council—Resolutions of 6th Meeting, 15 February 1991.

Citrus Board of South Australia—Report for year ended 30 April 1990.

Commissioners of Charitable Funds—Report and Statement of Accounts, 1989-90.

Lyell McEwin Health Service Superannuation Fund—Report, 1989-90.

Racing Act 1976: Amendments to Rules.

Regulations under the following Acts—

Controlled Substances Act 1984—Pest Controller Fees.

Criminal Law Consolidation Act 1935—Noarlunga Health Services Inc.

Fisheries Act 1982—

Abalone Fishery—Scheme of Management.

Aquatic Reserves—Port Noarlunga and West Island.

Exotic Fish—Permitted Species.

Experimental Crab Fishery—Licences.

Fish Processor Registration Fee.

Fish Processors—Registration, Records and Fees.

General Fishery—Definitions, Sizes and Licences.

Lakes and Coorong Fishery—Scheme of Management.

Marine Scale Fishery—Scheme of Management.

Miscellaneous Fishery—Licences.

Prawn Fishery—Scheme of Management.

River Fishery—Scheme of Management.

Rock Lobster Fishery—Scheme of Management.

Fisheries (Gulf St Vincent Prawn Fishery Rationalization) Act 1987—Licence Transfer.

Food Act 1985—Labelling.

Health Act 1935.

Septic Tank Fees.

Swimming and Spa Pools Revocation.

Meat Hygiene Act 1980—

Inspection Fees.

Licence Fees.

Mines and Works Inspection Act 1920—Fees.

Mining Act 1971—Fees.

Physiotherapists Act 1945—Fees.

Psychological Practices Act 1973—Registration Fee.

Public and Environmental Health Act 1987—Swimming and Spa Pools.

Radiation Protection and Control Act 1982—

Ionising Radiation—Definitions and Dosage.

Ionising Radiation Fees.

South Australian Health Commission Act 1976—

Cancer Reporting.

Compensable Patient Fees.

Multiple Prescription Drugs.

Private Patient Fees.

Stock Act 1990—Diseases, Certification and Tagging.

West Terrace Cemetery Act 1976—Fees.

By the Minister of Consumer Affairs (Hon. Barbara Wiese)—

Regulations under the following Acts—

Births, Deaths and Marriages Registration Act 1966—Fees.

Builders Licensing Act 1986—Fees.

Classification of Publications Act 1974—SHHH Australia Inc.

Commercial and Private Agents Act 1986—

Executor Trustee Australia Ltd.

Fees.

Commercial Tribunal Act 1982—Fees.

Consumer Credit Act 1972—Fees.

Consumer Transactions Act 1972—Fees.
 Cremation Act, 1891—Fee.
 Fees Regulation Act 1927—
 Overseas Student Fees.
 Places of Public Entertainment Fees.
 Gas Act 1988—Examination Fees.
 Goods Securities Act 1986—Fee.
 Land Agents, Brokers and Valuers Act 1972—
 Disclosures.
 Executor Trustee and Land Brokers Society.
 Fees.
 Landlord and Tenant Act 1936—Fee.
 Liquor Licensing Act 1985—Fees.
 Places of Public Entertainment Act 1913—Fees.
 Second-hand Motor Vehicles Act 1983—
 Fees.
 Licensing Levy.
 Trade Measurements Act 1971—Fees.
 Travel Agents Act 1986—
 Definitions and Trustees.
 Fees.

By the Minister for the Arts and Cultural Heritage
 (Hon. Anne Levy)—

Roseworthy Agricultural College—Report, 1990.
 Teachers Registration Board of South Australia—Report,
 1990.
 Planning Act 1982: Crown Development Report—Child,
 Adolescent and Family Health Service, Whyalla.
 Metropolitan Taxi-Cab Act 1956—
 Applications to Lease—
 12 June 1991;
 26 June 1991;
 10 July 1991.
 Issue of Licences—
 10 April 1991;
 24 April 1991;
 22 May 1991.
 Transfer of Licences.
 Regulations under the following Acts—
 Beverage Container Act 1975—Exemptions.
 Bills of Sale Act 1886—Fees.
 Building Act 1971—National Technical Code.
 Clean Air Act 1984—Licensing and Transfer Fees.
 Commercial Motor Vehicles (Hours of Driving) Act
 1973—Log Book Fees.
 Crown Lands Act 1929—Fees.
 Education Act 1972—Corporal Punishment.
 Fees Regulation Act 1927—
 Overseas Student Fees.
 Places of Public Entertainment Fees.
 Industrial and Commercial Training Act 1981—Per-
 sonal Servicing.
 Metropolitan Adelaide Road Widening Plan Act
 1972.
 Metropolitan Taxi-Cab Act 1956—Consumer Safety
 and Service.
 Motor Vehicles Act 1959—
 Definitions and Licences.
 Fees.
 Towing Fees.
 National Parks and Wildlife Act 1972—
 Endangered and Rare Species.
 Revocation.
 Native Vegetation Act 1991—Vegetation Clearance.
 Pastoral Land Management and Conservation Act
 1989—
 Compensation and Fees.
 Fees.
 Planning Act 1982—North Haven.
 Real Property Act 1886—
 Land Division Fees.
 Real Property Fees.
 Registration of Deeds Act 1935—Fees.
 Roads (Opening and Closing) Act 1932—Fees
 Road Traffic Act 1961—
 Inspection Fees and Exemptions.
 Moonta Jubilee Hospital Inc.
 Speed Limiting and Safety Helmets.
 Senior Secondary Assessment Board of South Aus-
 tralia Act 1983—Certificates and Fees.
 Sewerage Act 1929—
 Fees.
 Registration and Examination Fees.
 Strata Titles Act 1988—
 Fees.
 Record Keeping and Information.

Summary Offences Act 1953—Infringement Notices.
 Surveyors Act 1975—Fees.
 Valuation of Land Act 1971—Definition and Heri-
 tage Land.
 Waste Management Act 1987—Fees.
 Water Resources Act 1990—Fees.
 Waterworks Act 1932—
 Fees.
 Registration and Examination Fees.

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

Regulations under the following Acts—
 Local Government Act 1934—
 Expiation of Offences.
 Parking.
 Local Government Finance Authority Act 1983—
 Outback Areas Community and Development
 Trust.
 Private Parking Areas Act 1986—Unauthorised
 Damage and Fees.
 Corporation By-laws—
 Town of Renmark—
 No. 5—Cemeteries.
 No. 6—Taxis.
 No. 7—Streets.
 No. 14—Libraries.
 District Council of Loxton—No. 38—Camping on
 Council Land.
 District Council of Victor Harbor—
 No. 29—Taxis.
 No. 30—Repeal of By-laws.
 No. 31—Penalties and Permits
 No. 32—Removal of Garbage at Public Places.
 District Council of Wakefield Plains—No. 2—Taxis.
 District Council of Warooka—No. 4—Garbage
 Containers.
 District Council of Yorketown—
 No. 1—Permits and Penalties.
 No. 4—Caravans.
 No. 6—Bees.
 No. 7—Repeal of By-laws.

DISTINGUISHED VISITORS

The PRESIDENT: I draw the attention of members to the gallery where there are visiting parliamentarians from other States, and I introduce Dr Ian Alexander from the Western Australian Legislative Assembly, the Reverend Lance Armstrong from the Tasmanian Legislative Assembly and the Hon. Richard Jones from the New South Wales Legislative Council. We warmly welcome them to our Parliament and if members wish to make acquaintance with them they should feel free to do so.

STANDING ORDERS SUSPENSION

The Hon. R.I. LUCAS (Leader of the Opposition): I move:

That Standing Orders be suspended to enable me to move a motion without notice forthwith.

The Hon. C.J. Sumner: We haven't been given notice.

The Hon. R.I. LUCAS: You have been given notice of a motion.

The Hon. C.J. Sumner interjecting:

The Hon. R.I. LUCAS: You have been given a notice of motion.

The Hon. C.J. Sumner: Normally the notice is given by midday of the day on which it is intended to move the motion. That hasn't happened.

The PRESIDENT: Order! The honourable member has moved to suspend Standing Orders and it has been seconded.

The Hon. C.J. SUMNER: (Attorney-General): I will not oppose the suspension of Standing Orders because we know why the honourable member has moved it. He intends to move a vote of no confidence in the Government. However, the normal courtesies which are usually accorded to the Government when the Opposition moves a motion of no confidence have simply not been followed in this case. My office received a note or fax from the office of the Hon. Mr Lucas, I assume, today only, despite the speculation in the media over the past few days about a motion of no confidence also being moved in the Upper House. The note simply states that the honourable member intended to move a motion concerning the confidence of the House in the ability of the Government and the Treasurer to manage competently the financial affairs of the State. The Leader then comes along and seeks to suspend Standing Orders without giving the Government, apart from those brief words, any indication of what is in the motion for which he seeks to suspend the Standing Orders.

The Hon. T. Crothers interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: To my way of thinking, that is totally unacceptable.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: It abuses the normal courtesies that are observed in these circumstances. The Leader seeks to suspend Standing Orders and produces a full page motion that he intends to move once he has had Standing Orders suspended. To my way of thinking, that is quite unprecedented in terms of the normal courtesies which are shown to the Government in these circumstances.

In the past, when suspensions have been sought by the Opposition, they have given notice of the reasons for that suspension being sought. In this case—apart from a few words that the honourable member gave to me this morning—no indication was given, and certainly none was given of the text of the motion.

From my recollection, when these sorts of motions have been moved before and called on at short notice with a suspension of Standing Orders, the text of the motion has been made available to the Government usually by midday at the latest on the day on which the Opposition intends to move the motion. Of course, we could refuse the suspension—and the Opposition may get it on the numbers, I do not know—but that would not achieve anything, because they would move it next week, and we would have the same debate in any event.

I will not oppose the suspension on this occasion, and I will treat the motion as the honourable member moves it. Nevertheless, I make the point that the normal courtesies were not shown to the Government. This is a very long motion, and this is the first time that we have been given any notice of it whatsoever. I believe that does not accord with the normal courtesies that have been applied to this sort of situation in this Council in the past. However, we have become accustomed to members opposite—and the Hon. Mr Lucas in particular—abusing the normal forms and conventions of the Council, and it seems as though we are having another example of that today.

Members interjecting:

The PRESIDENT: Order! The Council will come to order. There being no further speakers, I intend to put the motion. For the question say 'Aye'; against 'No'. There being a dissentient voice, a division is required. There being only one member for the Noes, the division will not be further proceeded with.

Motion carried.

NO-CONFIDENCE MOTION: FINANCIAL MANAGEMENT

The Hon. R.I. LUCAS (Leader of the Opposition): I move.

That this Council, recognising:

1. that section 3 of the State Government Insurance Commission Act makes the commission subject to the control and directions of the Government through the Treasurer;

2. that a review of the SGIC by the Business Operations Review Sub-Board of the Government Management Board has identified significant problems with SGIC operations and also has reported a number of actions contrary to the provisions and intent of the Act for which the Treasurer is the Minister responsible;

3. that the intention of Parliament in amending the Motor Vehicles Act in 1986 to contain the cost of compulsory third party insurance has been flouted by illegal interfund loans and other contrived financial arrangements within the SGIC which have reduced the investment income of the CTP fund;

4. that Parliament, notwithstanding persistent questions asked about the SGIC's operations over the past two years, has been misled by the Treasurer in a number of significant areas;

5. that, notwithstanding section 5 of the South Australian Timber Corporation Act making the corporation subject to the control and direction of the Minister, that corporation, together with the SGIC, has lost up to \$60 million through the Scrimber project despite warnings from the Auditor-General from 1986 and repeated questions in this Parliament about the viability of the investment; and

6. that, notwithstanding section 14 of the Workers Rehabilitation and Compensation Act making the WorkCover Corporation subject to the general direction and control of the Minister, section 66 which requires WorkCover to be fully funded, and an assurance by the Minister of Labour to the Parliament on 22 August 1989 that WorkCover was fully funded, WorkCover now faces unfunded liabilities of \$250 million and internal estimates of further increases to almost \$500 million,

expresses its lack of confidence in the ability of the Government and the Treasurer to manage competently the financial affairs of the State and, in view of their failure to account fully and honestly to the Parliament for financial operations directly funded, underwritten or guaranteed by the taxpayers of South Australia, calls upon the Premier to tender his resignation and that of his Government forthwith so that public and business confidence in South Australia can be restored as soon as possible.

At the outset I reject unequivocally the fact that the Opposition has in any way abused processes in the way in which it has brought the motion before Parliament. We have adopted the processes normally adopted by this Parliament and Chamber in relation to motions such as this. The Leader of the Government was provided with advice in business hours early this morning about the intent, substance and essence of the motion. The advice available to me indicates that that is the convention that is adopted by the Parliament.

Members interjecting:

The PRESIDENT: Order! There are too many conversations. If we are to have a reasonable debate, I suggest that members be heard in silence.

The Hon. R.I. LUCAS: One can see what sort of support the Leader of the Government has in relation to this matter from his own back bench. What we saw in this Chamber was one of the most extraordinary performances that we have seen from a not insignificant member of the Government Party. The Hon. Terry Roberts is the convenor of the left-wing faction of the Labour Party Caucus, a very senior member of the left, and, indeed, of a different faction from the faction of the Attorney-General. When the Attorney-General led from the front, he looked around, and who was not there behind the Attorney-General but one convenor of the left faction of the Caucus, the Hon. Terry Roberts, who publicly called against his Leader—

Members interjecting:

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

The Hon. R.I. LUCAS:—on a significant issue like this and obviously in a considered fashion when the motion was called on for vote.

The people of South Australia have had enough not only of the Attorney-General, but of the Bannon Government. They have had enough of suffering under the policies of the Bannon Government. Over the past year we have seen the State Bank scandal, the Scrimber disaster, the ever growing problems with WorkCover and now we have the SGIC debacle. As a result, the long suffering families and workers of South Australia face ever increasing taxes and charges—

The Hon. Diana Laidlaw: Cuts in services.

The Hon. R.I. LUCAS: And cuts in services such as education, health and police services. In the space of the past few weeks we have seen further indications of cuts in police services at a time when crime is growing at an ever increasing rate. If we believe the front page of the *Advertiser*, the Bannon Government is talking about quite significant cutbacks in the police services.

An honourable member interjecting:

The Hon. R.I. LUCAS: Well, the *Advertiser* has not been too far wrong in relation to the SGIC and the State Bank so far. If we look back to yesterday, the Minister of Health indicated a further 1 per cent cut in health services with, obviously, an increase in the ever growing waiting lists for long suffering families in South Australia, and with the potential for further closures of small health units throughout South Australia. In the area of education not only have we seen the axing of 800 teaching positions from schools in South Australia, but we now see a frenzied orgy of closures of schools in South Australia as the Bannon Government seeks to balance the books to cover its own financial incompetence. But, it is not the Bannon Government; it is not Premier Bannon; it is not the Ministers in this Government who are suffering because of the decisions taken and the incompetence of Premier Bannon as Treasurer: as I said, the families and workers of South Australia are suffering and, whilst all this goes on, Premier Bannon wanders around aimlessly singing his favourite 1960s tune—'I'm Not Not Not Responsible'. The Premier and Treasurer is responsible for this mess. The buck stops on Mr Bannon's desk, and the people of South Australia should have the opportunity to express a view.

The first page of the damning independent review of SGIC states:

The committee found repeated examples of decisions made without adequate documentation, of inconsistencies in the decision making process, of inadequate reporting to management of the results of earlier decisions, and of a general lack of control of operations. As a result of these managerial deficiencies, the committee believes with hindsight that there were some errors in investment and underwriting activities.

On page 9 of the report the committee states:

During this period of rapid growth and diversification SGIC's investment division suffered from deficiencies. There was a lack of discipline in procedures and controls within the division. There were inadequate controls on investment transactions, accounting procedures were inappropriate, and there was a lack of segregation of duties. These deficiencies were coupled with inadequate performance monitoring and information systems.

Other than that, everything was going pretty well with SGIC.

The Hon. L.H. Davis: There wasn't much left.

The Hon. R.I. LUCAS: Exactly. Virtually every page of this document contains significant and damning criticism of the management of SGIC and therefore, as a result, criticism of the financial competence of the Treasurer and Premier. In itself, this document contains sufficient evidence to justify the very serious motion we have before us at the moment. I intend to highlight the major findings of

the review, and my colleague the Hon. Legh Davis will provide a detailed analysis of the bulk of this report.

It is important to note at the outset that the SGIC Act makes it explicitly clear that the Treasurer (Mr Bannon) has clear and direct ministerial responsibility for the operations of SGIC. First, section 3 (3) gives the Treasurer power and responsibility over all aspects of SGIC's operations. Secondly, section 16 provides:

The Treasurer shall approve any investments and, in particular, investments in real property.

Section 16 (a) provides:

The Treasurer shall set guidelines for any investments that involve purchase of shares or interests in a body corporate.

In fact, the SGIC was required to obtain specific approval for investments in property where the acquisition cost exceeded \$10 million and in equities of a company where SGIC's holding would exceed 9.9 per cent of the share capital. The Act and the report make it clear that the Treasurer had not only to approve investment guidelines for SGIC but also to approve virtually all the major investment decisions of the SGIC. So, Mr Bannon cannot wriggle off the hook of responsibility by claiming ignorance of the problems of SGIC. As Elizabeth Barrett Browning said, 'Ignorance is not innocence but sin.'

The major criticisms highlighted by the review are, first, since 1987 when SGIC moved from its traditional investment base of fixed interest securities and listed equities it has invested over 91 per cent of its new investments in new and unproven areas. The review concludes that few of those investments have been successful. It comments on page 8 of the report as follows:

During this period it is evident that insufficient and inadequate analysis has been undertaken by SGIC on which to base its decisions to invest or to diversify. The committee believes that the control of investment strategy has been *ad hoc* and that many investment decisions were made on inadequate information.

What a damning criticism in itself. Secondly, the Treasurer had not approved any investment guidelines for the separate insurance funds operated by SGIC and the only general investment guidelines were last approved in April 1987. This, of course, meant there had been no review of these guidelines since the major diversification strategy of SGIC commencing in 1987 and the stock market crash of 1987. Clearly, the Treasurer failed in his duty to maintain proper oversight of a review process for these investment guidelines.

Thirdly, the Act requires five board members, yet since December 1989 the Treasurer has left a vacancy unfilled and since March 1990 there has not been a Treasury representative on the board of SGIC. The review actually recommends an increase in the size of the board of two or three persons to enhance the range of skills and experience on the board. Again, the Treasurer has failed to take action that might have improved the control of SGIC's activities. Fourthly, section 20 of the Act clearly provides:

There shall be separate and distinct funds for each type of insurance business undertaken by SGIC and all premiums and other moneys shall be paid into the proper fund and payments paid out of the proper fund.

However, by January 1991 interfund loans had peaked at \$240 million and, in the words of the committee, were uncontrolled. The committee concluded that not only was interfund lending uncontrolled but that such lending was illegal and not prudent. The report states, 'There is little doubt that such lending is improper; certainly, it is inappropriate and must not occur.' This lending, of course, improved the performance of the other funds at the expense of the compulsory third party fund. In addition, risky and poor performing investments, such as the Scrimber, The

Terrace and the Centrepoint investments, appear to have been dumped in the CTP fund. I seek leave to have inserted in *Hansard* a purely statistical table from page 38 of the review committee's report which highlights the investment performance of the CTP and the life fund of SGIC.

Leave granted.

Investment Performance

	CTP Fund %	Life Fund %
1988-89.....	4.61	17.3
1989-90.....	6.06	16.3
9 months to 31 March 1991*.....	8.00	14.0

*annualised

The Hon. R.I. LUCAS: This table shows that in 1988-89 the investment performance, or the profitability of the CTP fund was 4.61 per cent, yet the equivalent figure for the life fund was 17.3 per cent, almost four times as large. In 1989-90 the CTP fund earned 6.06 per cent while the life fund earned 16.3 per cent. In the nine months to 31 March 1991, based on an annual calculation, the CTP fund earned 8 per cent while the life fund earned 14 per cent, the CTP fund earning just over half the level of performance of the life fund.

When one looks at those quite stark statistics it is no wonder that the review committee notes that an increase in CTP premiums seems unavoidable. Again, the longsuffering taxpayers or motorists of South Australia will have to pay for the sins of the Bannon Government.

Fifthly, the review is scathingly critical of SGIC's performance in relation to put options. I quote briefly from page 11 of the report as follows:

The market for property puts in Australia appears to be limited to relatively few companies. SGIC wrote four property puts, of which three have been called; a risk level which is far too high commensurate to the premium income earned. SGIC also endeavoured to enter into further put options. The peak potential exposure involved was many times larger than the net worth of SGIC.

In fact, a further section of the review committee's report notes that the peak potential exposure at that time was \$1.2 billion. As well as the put option of which we are well aware in relation to 333 Collins Street, Melbourne, of some \$520 million, there was also a put option for \$740 million for Chifley Square in Sydney. The review concludes in relation to put options (on page 10) as follows:

How the purchase would be financed did not seem to have been adequately considered. SGIC's venture into property puts has had disastrous consequences. In the committee's opinion SGIC exercised poor judgment in regarding risk in this form of credit risk insurance as negligible.

Again, that is a scathing criticism of management and also of the actions and approvals by the Premier and Treasurer in relation to the put options.

Sixthly, the review concludes that the accounts of SGIC are not in accordance with Australian accounting standards. It notes also that the usefulness of the calculation of net worth at March 1991 is limited because current market values or independent valuations have not been used and that in a worst case scenario net worth may indeed be negative.

Seventhly, the review notes that SGIC's 1990 corporate plan emphasises growth with little emphasis on profitability and contains little about investment strategy which quite obviously is a significant shortcoming, in the words of the review.

What a corporate plan! It is a corporate plan that does not involve much in the way of profitability nor much in the way of investment strategy and yet this was the corpo-

rate plan approved in 1990 as the guiding light for the SGIC to take it into the 1990s. No-one operating a small or medium size business would consider approving or adopting a corporate plan that pays little regard to profitability or to investment strategy. Given the notion of ministerial responsibility, one assumes that Premier and Treasurer Bannon must have had some role—or we could logically assume he should have had some role—in approving the 1990 corporate plan for the SGIC, to take it into the next decade. Indeed, if he did not, that is an even more significant criticism of the Premier and Treasurer, given the constructs of the SGIC Act.

The review also directly contradicts many statements made by the Treasurer, both inside and outside the Parliament. For example, on 21 August 1990 the Treasurer said that the SGIC's investment in 5DN—now 102FM—was 'one of a number in the total portfolio of SGIC which in recent years have provided excellent returns to the people of South Australia'. I emphasise that the Premier indicated that 102FM was providing 'excellent returns'. I think that that would have surprised many in the radio industry at the time. It certainly surprised the review committee because on page 67 of the report it is stated that '102FM has always been in a loss-making position from the time of SGIC's investment.' That is a quite clear contradiction of the statement made in the Parliament by way of response to a question to the Premier and Treasurer in relation to the performance activity of 102FM.

The second of many examples—and I do not intend covering all the examples in the short time available to me today—relates to a statement made on 2 March 1991 by a spokesman for the Premier. He stated that there had been no formal approach made by the SGIC for a capital injection of funds. However, again, the review gives the lie to that particular statement. On page 105, the review states that:

... SGIC has corresponded with Treasury on the issue of capitalisation over the past four years without resolution.

Mr President, these are only some of the criticisms. Indeed, one could catalogue many more. This is the report, from which I have quoted liberally, that Mr Bannon described in the *Advertiser* of 5 August 1991 in the following terms:

They [the SGIC] have made one or two wrong investment decisions and they have one or two major managerial issues to address and fix up.

What an extraordinary statement and one that I think 'KG' would probably describe as unbelievable. It sounds a bit like Joh Bjelke-Petersen saying that the Fitzgerald report had uncovered one or two problems that needed to be fixed. We can only be thankful that John Bannon did not have to write the executive summary for either the Fitzgerald report or this review of the operations and activities of the SGIC. The interesting question about all this is: what on earth was the Premier doing while all of this was going on about him? I guess he was practising his well-known 'three monkeys' management strategy: speak no evil, hear no evil, and see no evil. However, the strategy cannot absolve him of responsibility on this occasion, because since 1989 he had been receiving warnings about the performance of the SGIC.

An honourable member interjecting:

The Hon. R.I. LUCAS: We will be interested in your response. In August 1989 the Auditor-General's Report revealed that a broad review of the commission's policies and procedures had suggested, and I quote, 'the commission formalise its investment policy relating to investment strategy...'

Members interjecting:

The PRESIDENT: Order! All members will have a chance to enter the debate.

Members interjecting:

The PRESIDENT: Order!

The Hon. L.H. Davis: An arrogant, out of touch Government.

The Hon. R.I. LUCAS: Exactly.

Members interjecting:

The PRESIDENT: Order! The Council will come to order. Everyone will have a chance to enter the debate when they wish.

Members interjecting:

The Hon. R.I. LUCAS: We will be interested in his contribution later this afternoon. I will continue with the quote from the Auditor-General's Report of 1989. It states:

... the commission formalise its investment policy relating to investment strategy evaluation procedures and authorisation limits; and the quality of information made available for investment decisions be improved.

The review has indicated that the Premier and Treasurer and the Government took no action on this quite serious warning given by the Auditor-General as far back as August 1989. Again, on 20 April 1990, the Under Treasurer wrote to the Premier expressing concern about the size of SGIC's contingent liabilities. He stated:

The gross value of exposure outstanding or approved is around \$1.4 billion. The associated increase in the State's contingent liabilities needs careful review.

It was not clear to him 'that the application of the State's guarantee to this type of insurance was contemplated by Parliament'. They are quite clear and unequivocal warnings given by two of the most senior officers in service in South Australia: the Auditor-General as far back as 1989 and the Under Treasurer as far back as the early part of 1990. They are quite clear and unequivocal warnings about the potential problems about the continuation of the direction of the SGIC. Again, the review indicates that the Premier and Treasurer, the Attorney-General and the Bannon Cabinet—the whole lot—chose deliberately to do nothing.

An honourable member interjecting:

The Hon. R.I. LUCAS: We are a quite separate and independent House. The honourable member should go to the other House.

Members interjecting:

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

Members interjecting:

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

The Hon. C.J. Sumner interjecting:

The PRESIDENT: Order! The honourable Attorney-General will come to order.

The Hon. R.I. LUCAS: The Attorney is squealing like a stuck pig at the moment. In addition, the Liberal Party had also been asking a series of questions in the Parliament over the past 12 to 18 months about the performance and activities of the SGIC. Sadly, the Premier's response is best judged by an answer he gave on 11 April 1991 and, indeed, it is very similar in tone and content to the sort of response that the Attorney-General is giving today in trying to laugh it off by way of inane interjection and not treating the significant problems of the SGIC with the seriousness that one would expect of supposedly one of the more senior members of the Bannon Cabinet. But this is what Premier Bannon said in response to some questions on 11 April 1991.

Members interjecting:

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

The Hon. R.I. LUCAS: Premier Bannon stated:

It is very hard when these games with our financial institutions continue to be played. If it were some sort of political football that we could throw around, I do not think anybody would mind.

That is the sort of response from Premier Bannon and the Attorney-General to the serious questions of financial competence and management of State Government instrumentalities such as the State Bank, SGIC and others—inane interjections and attempts to throw personal abuse at members in both Houses, all the while denying responsibility and trying to wriggle off the hook, and refusing to answer any of the questions that have been directed not only by members of the Liberal Party but also by such senior officers as the Auditor-General in 1989 and the Under Treasurer in 1990. Sadly, the SGIC experience is only the latest in a long series of financial disasters that have been presided over by Mr Bannon.

We have seen the State Bank scandal, which is still fresh in our memories. The jury is still out in relation to precise culpability or responsibility in that area. From our viewpoint, in judging the financial status and performance of this Government, we know already that we have had to fund a one billion dollar bale out and that each and every year we will have to find \$100 million to \$120 million to pay for the follies of the Attorney-General and Premier Bannon—to pay for their mistakes. Again, it is not the Attorney-General or the Hon. Mr Roberts who will suffer: rather, it will involve students and families who will have their schools closed, services reduced, hospital waiting lists being extended or the crime rate further blowing out because of further or imminent cuts to police services. South Australian families and workers will suffer as a result of the ineptitude of the Attorney and the Premier and Treasurer.

The State Bank saga arose at much the same time as the continuing disasters of SATCO. Those of us who presided on the SATCO select committee—and may do so again—may remember the long litany of disasters, which my colleague the Hon. Mr Davis will touch upon later. One only has to remember the IPL investment in New Zealand and now the \$60 million that has gone down the drain in relation to the Scrimber investment. There were many warnings over many years and the Government and respective Ministers took no heed of those warnings.

WorkCover is another disaster area. Just on four years ago that Bill was pushed through the Parliament, with the support of the Democrats, proudly proclaimed as a great reform and definitely to be fully funded by the operations of the Act itself. Again, that commitment to its being fully funded was repeated by the Minister of Labour on 22 August 1989, just prior to the last State election, when a number of questions were raised by my colleague the Hon. Mr Griffin and others regarding the unfunded liability of WorkCover being about to blow out. What did the Bannon Government say at that time? Through the Hon. Mr Gregory it stated:

In South Australia WorkCover is working extremely well. It is fully funded in less than two years of operation.

The Hon. Diana Laidlaw: Who said that?

The Hon. R.I. LUCAS: The Hon. Mr Gregory. He said that it was fully funded in less than two years of operation. That was in response to claims being made by the Hon. Mr Griffin and others who had already indicated that the unfunded liability of WorkCover was beginning to blow out. My colleague the Hon. Mr Stefani may also have had some involvement in that. It was starting to blow out, contrary to commitments given by the Government when the Bill went through the House early in 1987.

We now know that the Government and WorkCover are facing an unfunded liability of almost \$250 million. Some internal estimates made available through internal docu-

ments indicate that potential exists for the unfunded liability to blow out to almost \$500 million unless urgent corrective action is taken. Again, it is not the Premier and Attorney-General who suffer but rather it affects business and those being employed by it because we see increasing costs and unemployment in South Australia. Today's unemployment figures are an indictment on the Attorney-General and this Government. We have 10.4 per cent unemployment in South Australia as a result of the policies of the Bannon and Hawke Governments.

The other area in relation to financial incompetence (and one cannot go through the complete list) concerns the irresponsible way in which the Bannon Government threw around election promises prior to the 1989 election, knowing full well the effect that such promises would have on the State budget and knowing full well that many of those promises would have to be broken soon after the State election.

The Hon. Diana Laidlaw: Like free transport for kids.

The Hon. R.I. LUCAS: Yes, with some \$7 million to \$10 million—

The Hon. C.J. Sumner interjecting:

The Hon. R.I. LUCAS: We are talking about your irresponsibility and ineptitude and the fact that we cannot trust anything that you or the Premier ever say. I refer to the Homesure interest rate relief scheme—the \$35 million package promised by the Attorney and the Premier. What is the Attorney's response to that? It was \$35 million-worth of interest rate relief and, as soon as the Attorney was back on the comfortable benches, he broke that promise. There was no commitment at all. We had the curriculum guarantee—the promise to schools and students of some \$30 million to \$40 million. That promise was made by the Bannon Government and, again, broken within 12 months of the election. We had other promises in relation to increases in hospitals and health funding, and at the same time—

The Hon. C.J. Sumner interjecting:

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

The Hon. R.I. LUCAS: At the same time no savings program was indicated by the Bannon Government as to how it would fund the irresponsible promises that it was making in 1989. The Attorney nods: he agrees that they were irresponsible promises. Let the *Hansard* record show that the Attorney nodded when I said that they were irresponsible promises. He acknowledges that that indeed was the case. It is a tragic record of financial incompetence.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The people of South Australia have to suffer as a result of the policies of the Attorney and the Premier.

The Hon. C.J. Sumner interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The Premier's defence is that he was keeping the SGIC at arm's length. 'At arm's length' means certainly within sight and at one's finger tips. It certainly does not mean out of sight and completely forgotten about, which is evidently how the Premier and Treasurer—again the Attorney nods—interprets his responsibility for SGIC and the State Bank. I am pleased to see that the Attorney agrees with much of the criticism that I am making of the Premier and the irresponsibility of his election promises, along with the fact that he broke them soon after.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The Liberal Party is not arguing that the Treasurer should be interfering in all individual investment decisions.

The Hon. C.J. Sumner interjecting:

The PRESIDENT: Order! The Council will come to order. Everybody will have the opportunity to enter the debate in a proper manner. The Hon. Mr Lucas.

The Hon. R.I. LUCAS: Thank you, Sir. I am sure the Attorney will get his equal share of interjections when he has the floor as well. We welcome them.

An honourable member interjecting:

The Hon. R.I. LUCAS: He is like a spoilt little schoolboy; that is right.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The Liberal party is not arguing that the Treasurer should be interfering in all individual investment decisions. However, the Premier and Treasurer does have the responsibility of asking questions and of ensuring proper prudential oversight of the financial operations of the SGIC. That means not that he should have been interfering all the time but that he should have heeded the warnings given by the Auditor-General in 1989 and the Under Treasurer in 1990. He should have ensured that the board vacancy was filled as soon as it became vacant in 1989. The Premier should have questioned approving automatically put options which gave a peak potential exposure of \$1.2 billion, which is many times the net worth of the SGIC.

The Opposition believes that the Premier should have responsibly taken many actions without being involved in undue interference in the operations of the SGIC. As we have seen today with this motion, this Government is in its death throes. We can hear the haunting sound of its death rattle already. For the first time in nine years—

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS:—members of the Labor Party Caucus are openly talking about who will take over from Premier Bannon.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: We have already seen the Hon. Mike Rann—

An honourable member interjecting:

The Hon. R.I. LUCAS: Well, you are a no hoper; no-one is worried about your future. One now sees the Hon. Mike Rann feverishly churning out press releases on a daily basis—

The Hon. C.J. Sumner: Mick Grab.

The Hon. R.I. LUCAS: The Attorney calls him 'Mick Grab', but I am calling him the Hon. Mike Rann—positioning himself for the tilt at the leadership. We even see the unedifying spectacle of a senior Minister in another House positioning herself for the leadership by way of a cheesecake photo in the *Advertiser*.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: Some members within the Labor Caucus are openly stating that, in the post Bannon era, which they see rapidly approaching, if the next leader is to be Rann or Lenehan, they would rather join the Liberal Party.

Members interjecting:

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

The Hon. R.I. LUCAS: Some middle of the road Centre Left members of the Caucus—and they know who they are—are already stating that, whilst they would like to vote

for Lynn Arnold, he is so boring that they would vote for Frank Blevins.

The Hon. M.S. FELEPPA: On a point of order, Mr President, the Hon. Mr Lucas, as Leader of the Opposition, should address the motion.

The PRESIDENT: There is no point of order.

The Hon. R.I. LUCAS: The motion talks about the need for the Premier to resign. We are stating that this Government and this parliamentary Party, the Labor Party, is in its death throes. Not only are people positioning themselves for the leadership but also Mr Groom is positioning himself as the next Attorney-General in the Labor Cabinet. Indeed, even his colleagues laugh at it. Indeed, the Hon. Mr Roberts, I, too, would laugh.

Members interjecting:

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

The Hon. R.I. LUCAS: I, too, would laugh that Mr Groom takes himself seriously—

Members interjecting:

The PRESIDENT: Order! Mr Lucas, I have called 'Order!'. If you do not talk until there is silence in the Chamber, we may get somewhere.

The Hon. L.H. Davis interjecting:

The Hon. R.I. LUCAS: As my colleague, the Hon. Legh Davis, says, 'A new Groom sweeps clean.' This Government is in its death throes. Sadly, we have all seen Governments, whether they be Liberal or Labor, or whether they be State or Federal, in their death throes. When that occurs, parliamentary Parties in this sort of situation are not conducive to good government.

This is what we are seeing at the moment. The attention is off the ball. Ministers are more interested in their own further advancement within the parliamentary Labor Party Caucus and the Bannon Government. We have a continuing series of scandals, disasters and debacles, such as Work-Cover, Scrimber, the State Bank and the SGIC. The Opposition is saying that South Australians should not have had to suffer the past two years of the Bannon Government slowly committing suicide. We believe there ought to be an opportunity for South Australians to express a particular point of view. I urge members in this Chamber to support the motion.

The Hon. C.J. SUMNER (Attorney-General): I will respond—not that there is a great deal to respond to.

An honourable member: What could you say?

The Hon. C.J. SUMNER: I could say a lot, but I will try not to say too much after that really lamentable performance by the Leader of the Opposition—one who has been touted in the Lower House as being the actual Leader of the Opposition in the Lower House at some stage.

The Hon. ANNE LEVY: On a point of order, Mr President, I draw your attention to the fact that there is a camera in an area in which filming is not permitted.

The PRESIDENT: I have already noted that and sent an attendant to move the television camera to the rear of the Chamber where it should be.

The Hon. ANNE LEVY: I trust that you, Sir, will take up the matter with the owners of the television station concerned.

The PRESIDENT: The honourable Attorney.

The Hon. C.J. SUMNER: I agree with the Hon. Mr Feleppa that the Leader of the Opposition roamed into areas that were not the subject of the motion. His continual attempts as a member of this Council in virtually every speech he gives to try somehow to dissect the factional play in the Labor Party, to decide who will be the Leader when Mr Bannon steps aside and who will be the next Attorney-

General are really just the performances of an adolescent politician who, regrettably, I do not believe has the stature to be the Leader of the Opposition in this place. I think we have had a further example of that in the speech which we have just heard and which I am sure could hardly have done anything to inspire confidence in the Opposition backbenchers in this place.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: This morning, I was advised by fax in the following terms:

Dear Chris—

a very friendly approach—

I write to advise you that the Liberal Party will move this afternoon in the Legislative Council to suspend Standing Orders in order to move a motion concerning the confidence of the House in the ability of the Government and the Treasurer to manage competently the financial affairs of the State.

That translated into the seven paragraph motion which the honourable member moved and which, in fact, did not concentrate on the financial affairs of the State in any general sense but dealt with certain specific matters about which they wished to criticise the Government. I made my point that the Opposition has given no notice of the motion until such time as the honourable member sought to suspend Standing Orders this afternoon.

That is a regrettable departure from previous practice but, if it is to establish a further precedent, so be it. Nevertheless, the Government was prepared to debate the motion and we would wish to have it voted on today. It is a motion of no confidence in the Government and as such it is the first motion of that kind that I can recall being moved in the Legislative Council. There have been motions of no confidence in Ministers in the Legislative Council on previous occasions, particularly Ministers who are in the Council and, therefore, in a position to reply.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: Of course, being a motion of no confidence in the Government in the Legislative Council, it can have absolutely no effect on the fate of the Government. Therefore, in my view, it is not really an appropriate vehicle for the Opposition on this occasion, particularly as we have just heard a speech from the Leader of the Opposition in the Legislative Council which I am sure was similar in many respects to that which was made by the Leader of the Opposition in the House of Assembly. One really has to ask—

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER:—what is the point of moving a motion of this kind in the Legislative Council which is a repeat of a motion in the House of Assembly when, even if passed in this Council, it can have absolutely no effect on the Government?

The other thing which I believe is unprecedented but which indicates something about the Opposition is that this motion has been moved on the opening day of the Parliament. That is normally a day reserved for the protocol of the Governor's speech, Question Time and setting up the Parliament for its future sittings. The Opposition had to move this motion today because its agenda in this State at the present time, and indeed for some considerable time, is not—

Members interjecting:

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

The Hon. C.J. SUMNER:—being set by the Opposition, but is being set by the media, and in particular by the *Advertiser*.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: That has been the case since Mr Ackerman took over the *Advertiser*, because he and Mr Murdoch took the view that this Opposition really had nothing going for it. It could not oppose the Government effectively, so the media, and the *Advertiser* in particular, had to take the matter on and become active participants in shaping the political landscape.

The Hon. L.H. Davis interjecting:

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

The Hon. C.J. SUMNER: They have taken an active political opposition in opposition to the Government. They have set the agenda in this case by telling the Opposition that, if it did not move a motion of no confidence on the very first day that the Parliament sat, Baker, Lucas and company would be dismissed as wimps. That is why we have this motion today. That is why we have it not only in the House of Assembly, but, in a manner which is quite futile, in the Legislative Council.

In the House of Assembly, if a similar motion were to be passed, the Premier would be required to go to the Governor and tender his resignation. The Governor would then call on the Leader of the Opposition to see whether a Government could be formed. The fact is that no Government could be formed at this time because the Labor Independents, even if they supported a motion of no confidence in the Government, would not support a Liberal Government. So the inevitable consequence of the passage of a motion of this kind in the Assembly would be an election 2½ years before an election was due. The one thing that this State does not want at the moment is an election. What it needs is stability and leadership in economic matters.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: The question is not only about crises in State trading enterprises; it is also about how the Government has dealt with those crises. And I think that it has dealt with those difficult situations as effectively as was possible in the circumstances.

In considering this motion we must take account of the general economic environment. No matter what members opposite say about that, the fact is that the Bannon Government cannot be blamed for the general economic environment in this State, this nation or internationally. The Governor's speech—

The Hon. L.H. Davis interjecting:

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

Members interjecting:

The PRESIDENT: Order! There are far too many interjections. I realise that everybody is very exuberant and in good humour, but there are far too many interjections.

The Hon. C.J. SUMNER: Obviously imbibed too much at the conventional parliamentary lunch that we have on the opening day. One very good reason why motions of this kind should not be moved on the opening day of the Parliament is the conviviality which all members share over lunch after the Governor's speech. Nevertheless, members opposite—

The Hon. R.I. Lucas: We all had orange juice.

The Hon. C.J. SUMNER: I was not even at the lunch. Nevertheless, members opposite have chosen to move the motion on this sacred day.

As I said, any consideration of this motion must take into account the general economic environment. The Governor's speech referred to the international economic envi-

ronment and to the recession in Australia which was engineered to deal with the current account deficit in Australia. In particular it will have the desirable effect in the long term, one hopes, of reducing inflation. Within that general economic environment I do not think anyone envisaged the extent to which the property market would collapse. That applies to private and public sector trading enterprises.

Both private and public sector trading enterprises have been hit by the general downturn in the Australian economy, by the recession and, most particularly, as we all know, by the collapse in the property market. The situation in the State Bank, SGIC and the like is not unique to State Government trading enterprises. Look at the private sector high fliers, the entrepreneurs, such as Mr Skase who came to South Australia a few years ago. He was being feted by the *Advertiser* when he came here three or four years ago. The Skases, the Bonds, the Connells, the so-called reputable companies, Adsteam and Spalvins, TNT and Abels—News Corporation and Mr Rupert Murdoch themselves have substantial debt problems.

As I said, whether it be the entrepreneurs, the reputable companies, or the banks (whether Westpac, in particular with the difficulties with its international currency investments and dealings, and the ANZ bank, etc.), the fact is that all those private sector groups, whether the entrepreneurs, the reputable companies or the banks, have all been affected to a greater or lesser extent by the economic downturn and the property collapse. The question that has to be asked is: 'Would you bring down the Government on the basis of events over which this Government had little or no control?'

If one looks at the motion, which is more specific but which was foreshadowed to talk about the financial affairs of the State, the fact is that the problem in the financial affairs of the State is not a general problem; it is a problem relating to State trading enterprises. I am sure that in another place, in response to the debate there, the Premier has outlined the State's financial position. I do not want to repeat that, but the fact is that, in the area of general State finances, this State has, over the past few years and, in particular, over the period of the economic downturn, managed very well. We do not have debt levels which are the same as those of other States. In fact, we still have a low per capita debt level. We do not have tax levels on a per capita basis that are anywhere near the highest in Australia. In fact, the highest is in the Liberal State of New South Wales. We have had a very successful financial organisation in SAFA. Over the period of this Government we have managed to pay off the debt that was left to us by the Tonkin Government and, in fact, over that period, we have reduced the overall level of debt that the State had generally.

Therefore, in terms of the overall budget strategy of the Government and of the financial position of the State generally, this Government has performed very well. If it had not been for the problems of the State Bank, the South Australian budgetary position would be very good, given the circumstances we are faced with, in particular given the reduction in Commonwealth funds to South Australia, and given the recession which has, of course, produced a reduction in revenue to the State. So the real question is the State trading corporations, and their performance. As I said, apart from those, if one is talking about the general situation of the State's finances, then there may be some cause for criticism, but I suspect not very much.

The State Bank issue has been well-aired; it has been debated in this Parliament; there is a Royal Commission. When the Government became aware of the situation in

the State Bank, it acted very effectively to put in place a rescue package.

The Hon. R.I. Lucas: The jury is still out.

The PRESIDENT: Order!

The Hon. R.I. Lucas: Who wrote this rubbish?

The PRESIDENT: Order!

The Hon. C.J. SUMNER: A rescue package was put in place quickly, and I believe, generally, was applauded. There were changes to the board, and a royal commission was set up which is now examining the bank and which will no doubt report on the situation within the bank. Indeed, it may (and we would hope that it will) make some comments about State trading enterprises for the future. The SGIC report has been referred to by the honourable member opposite but, of course, what we have here is a situation—

The Hon. R.I. Lucas interjecting:

The Hon. C.J. SUMNER: I have read some of it, but the situation here is that not the Opposition, but the *Advertiser* in particular, had an agenda as far as the SGIC was concerned, and it really would not have mattered what the report said. The fact is that they were going to say what they felt about the SGIC, irrespective of the report. It is interesting to note that one of the people who was on the review team, Professor Scott Henderson, in the *Advertiser* today said things like this: that he was 'bemused and bewildered' at finding himself the co-author of a report that the State Opposition claims is the most damning ever written of a Government. How did the Professor react to the Opposition's criticisms? Let us quote:

I don't see it that way at all.

Namely, that the board should resign, etc., etc. This is the person who was responsible, with two others, for carrying out the review of the SGIC. He said:

Our impression was that the insurance business was effectively run. We had no real criticisms of the insurance branch. And, indeed, the great bulk of their investments were successful, as well.

This is the person who conducted the review. About the conspiracy theory which has been voiced abroad by members opposite, that somehow or other the South Australian Government was doing John Cain a favour by helping out the beleaguered Victorian Government, Professor Henderson said:

We found no evidence of that. The property put for this building was being hawked around. SGIC made an offer. We found no evidence at all that this was one Government helping another.

Further, Professor Henderson states:

The committee wishes to emphasise, however, that the majority of SGIC's operations are well managed and conducted efficiently.

Now, that is from the person who wrote the report. He is the person who wrote the report.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: That is what the author of the report says.

The Hon. R.I. Lucas: You haven't read the report.

The Hon. C.J. SUMNER: I have read the report.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order! I have the Hon. Mr Davis listed to speak. I presume he will speak later in the debate. I ask him to come to order.

The Hon. C.J. SUMNER: He should be listed to be thrown out; he should be the first one to go. Those comments are from the very person who wrote the report. In other words, what there was with the SGIC was a preconceived agenda, and nothing was going to deflect the Opposition or, indeed, the *Advertiser* from that agenda, which was to criticise the SGIC, and thereby to criticise the Bannon Government. Obviously, there are criticisms in the

report on the SGIC. No-one is denying that there are criticisms about the SGIC in the report. Clearly, there are criticisms; clearly, there are things that need to be done, and what the Government is doing in those areas has been outlined fully today by the Premier in a ministerial statement which I would have tabled here had I not been preempted by the honourable member's no-confidence motion.

But, despite those criticisms, despite the public criticisms that have been made by the *Advertiser*, and despite the criticisms in the report, the fact of the matter is that the person who wrote the report, the author of the report, says that the majority of SGIC's operations are well managed and conducted efficiently and, indeed, SGIC, as they said, had been a good corporate citizen. Anyone who has had anything to do with the SGIC or, indeed, the State Bank for that matter, will acknowledge that they have been good corporate citizens. They have supported South Australian enterprises; they have supported South Australian community activities to an extent which would not have been supported by private sector insurance companies or banks. If members opposite want to destroy these public sector trading enterprises they will destroy also the benefits which those State trading enterprises bring to the South Australian community.

Other matters, such as WorkCover, have been mentioned. We know that WorkCover has to be examined. The Governor mentioned it in her speech and, in fact, a select committee is looking at WorkCover. We know that the level of benefits in South Australia cannot be such as to provide that the WorkCover levies of employers are out of kilter with the levies that apply—

The Hon. R.I. Lucas interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: —in other States. Members can debate that particular issue if they like—

The Hon. R.I. Lucas interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: —but what we do know is that under the previous regime workers compensation insurance premiums were going through the roof and something had to be done to bring them under control.

The Hon. R.I. Lucas: They've gone over the moon.

The Hon. C.J. SUMNER: Well, they have not for everyone and the honourable member knows that as well as I do. I have outlined the particular problem with WorkCover that has to be addressed. A select committee has been working on this topic for some time, an actuarial report is being prepared and the Government will take action in this area at the appropriate time.

On the question of SATCO and Scrimber, again, this matter was the subject of a select committee in this Council only two years ago. The select committee reported to the Council. It did not say that Scrimber should be scrapped. In fact, as I recollect, most members, but not all, of this Parliament said that in the long run Scrimber would probably be successful.

The Hon. R.I. Lucas: No way.

The Hon. C.J. SUMNER: Not everyone, but you did not say anything in the report. You did not say in the report that it should be scrapped. You examined it—

The Hon. R.I. Lucas: You are rewriting history.

The Hon. C.J. SUMNER: Members opposite did not say two years ago that it should be scrapped; they know that as well as I do. We always get complaints in Australia about Australian business or Government not backing local invention and innovation. One may be critical in hindsight about this particular investment, but, as we know, it was backed by the CSIRO and it was an example of Government

involvement in and support for the timber industry in South Australia, support which has been going on in this State for years, for decades. Governments, not just of this Government's political persuasion, have supported the timber industry in the South-East of this State for many years. Taxpayers' funds have been put into supporting the timber industry in this State, and Scrimber was another example of that. However, two years ago the select committee did not recommend any changes.

As I have said, in a motion of no confidence one cannot concentrate just on specific issues; the general performance of the Government has to be looked at. I will not reiterate the performance of the Government over the past eight years, but in many areas it has been very good. The fact of the matter is that had it not been for the Bannon Government and, in particular, for Premier Bannon we would not have had the Grand Prix in South Australia. If it had not been for the Bannon Government and the Premier's negotiating skills we would not have had the submarine project in South Australia. If it had not been for the Bannon Government and, again, Premier Bannon's negotiating skills, we would not have had the MFP in Adelaide. They are areas in which the Government, and the Premier, in particular, have played a vital role in securing those projects for South Australia, which, in my view, at least for the last two of them, will provide long-term benefits for our State.

Those projects are examples of effective Government leadership, which is what we have had from the Government on the whole over the past eight years. That is not to deny that there are problems and difficulties, crises if you like, in some of the State Government trading enterprises. However, the issues that this motion raises will have to be addressed, I hope, in a calmer and better forum than this and by means of a vehicle different from a Legislative Council motion of no confidence in the Government generally, being, as I said, totally inappropriate and pointless. However, one of the issues that will have to be addressed in time, probably after the State Bank Royal Commission, is the role the State has in trading enterprises. Should it own trading enterprises and, if so, to what extent? If it does own trading enterprises, what should be the degree of supervision by the Government?

When the State Bank was created in this State some eight years ago, the Opposition insisted that the Government should be at arm's length from it and should not involve itself in its operations and commercial decisions—a very strong point made. However, the issues that have been raised by these particular matters and the debate about them concern the problems with the State Bank and the SGIC, the role of the State in trading, quasi and commercial enterprises, the degree of supervision, the extent to which Government should be directly in charge of those enterprises, the degree to which Ministers should be able to direct those enterprises and, therefore, the degree to which Ministers are accountable for State trading enterprises.

Are they justified? I think, in concept, they probably are justified. Indeed, in Australia there has been a long history of Government involvement in what, in a pure market sense might be considered to be Government enterprises. There has been Government intervention in the economy. The whole State railways network I suppose in a sense was a development that supported private enterprise. There was also the Snowy Mountains Authority and the whole intervention by way of tariffs which some people argue cost consumers, that is taxpayers, many millions of dollars over the years but which existed, in the Government's view, to support industry.

There is a long history going back to the last century of Governments being involved in the promotion of State Banks, but we now have the situation where people such as the Premier of New South Wales (Mr Greiner) say that there is no future for State Banks. This is the crucial issue that will have to be addressed by the Parliament, the Government and the people of this State at some time in the reasonably near future. One thing is quite clear: even if it is justified for the State to be involved in State trading enterprises, it will be extremely difficult for it to do so in the future because they can be turned very quickly into political footballs. Because double standards are applied, one standard for private sector enterprises and another standard for public sector trading enterprises, public sector trading enterprises can get involved in a political maelstrom which in the long term may well destroy them. That may well be the biggest issue that has to be determined at some time in the future when the dust from the present problems of the trading enterprises with which we are concerned has settled.

This motion should be completely rejected by this Council. It is an inappropriate motion; it is of no effect in this Chamber. It was moved without any panache or conviction by the Leader of the Opposition in this place and, in my view, the Opposition would have been much better off having a Question Time and the Hon. Dr Pfitzner would have been much better off catching her plane to Singapore instead of staying here to listen to this debate.

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

To strike out paragraph 6 and all words thereafter and insert 'severely censures the Government and the Treasurer'.

I believe that at this time a motion calling for the resignation of the Premier may be premature, but by no means am I willing to let him off the hook because I believe he bears a very great responsibility for what has happened in this State at this time. It is appropriate that this Council severely censures both the Government and the Treasurer because I feel that they have failed to uphold their duties in a number of ways.

After the Attorney-General's contribution one wonders whether the Government should not be congratulated for allowing the State Bank and the SGIC to manage to lose only \$1.5 billion between them and whether we should be thankful that it was not \$2.5 billion or \$3.5 billion. The Attorney-General talked about the State Government dealing with crises, but it is a matter of preventing them from occurring in the first place. I would argue that many of these crises, with proper management and proper supervision of the management, could have been avoided and, at the very least, they would have been far less extensive had there been earlier intervention. I think that the Attorney-General really hit things on the head when he talked about difficulties in the private sector. But it is worth noting the companies that had those difficulties in the private sector: they were the corporate cowboys.

Members interjecting:

The Hon. M.J. ELLIOTT: Well, I would include the banks among them. Unfortunately, we allowed the same sort of people to run our government institutions as well. Look where most of them came from. Many of them came out of the corporate sector and some of them were linked, either directly or indirectly, with the corporate cowboys of the private sector.

The Hon. Anne Levy: We never had John Spalvins.

The Hon. M.J. ELLIOTT: We never had John Spalvins, but he was always at the head of the table at Government functions until quite recently. The Government cannot

defend its own inadequacies by pointing to the inadequacies of the corporate cowboys in the private sector. I do not believe it is a question of the future of State trading enterprises and whether or not we have them. However, it is a question of the way they are to be supervised in the future because, quite clearly, the supervision as currently carried out has been grossly inadequate.

Frankly, when reading the SGIC report I thought that it was soft. I am not surprised that Professor Henderson was surprised by the Liberal Party's interpretation. However, the fact is that within the report they had no choice but to state that the SGIC had lost a lot of money; that it had made a significant number of significant mistakes. So, whilst the report did not condemn the Government, anyone who cares to look at the facts, would conclude that it should have, and it should have done so in very clear terms. Anyone can forgive a mistake or a couple of mistakes, but who can forgive the number and the size of the mistakes that were made? There were not one or two mistakes in relation to SGIC; there was a series of them. Some of those mistakes were made over an extended period. When things were going bad with health developments, they did not do anything about it, they continued to go bad. In fact, in many cases they got worse.

Whilst the State Government Insurance Office in New South Wales had rules limiting the put options to \$5 million, our State managed to have three over that value that went bad. There was one rather large put option—100 times greater than anything that the New South Wales State Government Insurance Office would allow. From all reports, the SGIC was chasing a lot more of those sorts of put options but unfortunately did not win them—or that was how the SGIC saw it at the time.

The SGIC blundered severely on a number of occasions and there is no doubt that there were responsibilities and that section 3 of the SGIC Act makes the commission subject to control and direction of the Government. There is nothing 'arm's length' about that. 'Subject to control and direction' is fairly explicit. The sort of excuses that have been used in relation to the State Bank—which, by the way, I do not accept—do not stand up in relation to the SGIC. As to Scrimber, I was on the select committee that reported some years ago. I was not prepared at that time to pass judgment on Scrimber. I had doubts about it, but it was a new product and I was willing to give it the benefit of the doubt. I must say that had I been the Minister (who replaced a Minister who had been sacked because of what had already gone wrong) I would have been watching Scrimber like a hawk. Mr Klunder did not come into the ministry until the previous Minister had been sacked because of what he had done with IPL, among other things within the Department of Woods and Forests and SATCO.

The Hon. T. Crothers: He retired.

The Hon. M.J. ELLIOTT: He was sacked! We know that this Government, with the State Bank and with the Woods and Forests Department, and so on, has not literally sacked people but an awful lot of people have resigned. I am sure that there was a great deal of inducement to do so because that was best for the Government and best for them—it was less embarrassing all round.

It is worth going back to look at Mr Klunder's words when he was first appointed. He admitted that the Government had made some dreadful mistakes. He has done exactly the same thing in relation to Scrimber and he should not have done it because he should have learned the lessons of the previous Minister. There is absolutely no excuse.

The Attorney-General said that the Government acted when it was aware of problems in the State Bank. Those in

Government must have been the last people in South Australia to become aware of problems with the State Bank. I am not sure how the Premier did not find out something that one of his senior staffers knew; that is, that the Hon. Mr Gilfillan was going to be sued for suggesting that the State Bank was in serious trouble some 20 months ago. That senior staffer knew that a member of Parliament was being sued for questioning the financial viability of a major institution in South Australia. One would almost have to assume that it was happening with the Premier's blessing. In fact, because it was only three or four weeks before a State election one wonders whether it was even more than a blessing that was there. Despite all that, the Government quite happily let the State Bank, with all of the known problems, meander on. Many of those debts could have been recovered. I would suggest that the indebtedness of the State Bank would have been halved had the Government reacted then rather than some 18 to 20 months later.

We hear the constant excuse of being at arm's length from the State Bank, but anyone reading the Act can see that it is more than that, that the Premier still does have the right to advise. There is a very clear expectation that the Premier would be watching very carefully the operation of the bank and not ignoring it. As someone else said earlier in the debate, there is a difference between arm's length and out of sight. Once again, the Treasurer failed rather dismally in keeping a proper watch over the State Bank. Indeed, he should have sent people in a lot earlier than he did.

I would argue that the sacking of 795 teachers at the end of last year was an indication that the State Government already knew what was coming, but at that point it was not admitting it. There is no other reasonable explanation for the sacking of 795 teachers at that time—none whatsoever.

The Treasurer and the Government have clearly failed in their responsibility. We need accountability of these various institutions to the Parliament. Up until this time the accountability has been via the Treasurer or, in the case of Scrimber, the Minister of Forests. The Parliament has relied upon them to do the job for it. The reason we have this motion before us is that the Government has failed in its duty and it has failed very badly. There will be no koala stamps for the job that they have done over the past couple of years.

Statutory authorities have been removing the power of the people's elected representatives in Parliament to oversee what happens to public funds. This direction is clearly a dangerous one for South Australia to be taking, especially when we see the Executive Government not properly undertaking the supervisory role that it has under legislation.

This undermines the Westminster system. A great need exists for accountability by both Executive Government and statutory authorities to Parliament itself. Half truths and misleading information cannot be tolerated by Parliament or the public in what is supposed to be a democracy. Bringing statutory authorities and Executive Government to answer is the role of this Parliament and in fact partly what this motion is doing today. The Premier bears significant blame but, in the light of the fact that a Royal Commission is currently looking into the State Bank (and I hope that this time the Opposition will support a select committee to look at the other financial institutions), it is premature to call for the Premier's resignation. It is, however, appropriate to censure him and his Government and to officially reprimand them for the inadequacies and mismanagement that have been coming to light over an extended period.

The Hon. L.H. DAVIS: The best that the Government could do in this debate was make a gratuitous attack on the

media, to claim that the SGIC stories in the *Advertiser* have been a deliberate, mischievous and orchestrated attack on a respected South Australian financial institution. That was about the sum total of the Attorney-General's contribution. In no way did the Attorney-General attempt to defend the Premier's involvement in SGIC. In no way did the Attorney-General attempt to illustrate that the *Advertiser* had got its facts wrong. In no way did the Attorney-General attempt to point out any errors of the Liberal Party in this so-called orchestrated and accurate attack on the deficiencies of the State Government Insurance Commission during 1991 and in the months preceding.

We know that whilst the Attorney-General may be long on his understanding of the law he is noticeably short on his knowledge of financial matters. I would have hoped that, coming into a serious debate such as this, he would at least have had the courtesy, the interest and the concern to have read the report of the Government Management Board inquiry into the State Government Insurance Commission. For the most senior member of the Bannon Government outside the Premier and Treasurer himself to come into this place and admit that he had not fully read the report is an indictment on this Government. It underlines exactly what we are saying about this Government. I find it scandalous and unbelievable that the Attorney had not even bothered to read the report. He admitted that in his contribution today.

The Government Management Board report into SGIC's business operations is a document which destroys forever any pretence that the Bannon Government is a sound and prudent financial manager. It destroys the myth that has existed in South Australia for all too long. Over the past few years the not inconsiderable resources of the Premier's Department have contrived to promote the public persona for the Bannon Government of a prudent, conservative and financially responsible Government—a Government that has avoided the scandals and financial mire that have trapped the Victorian and Western Australian Administrations and sapped them of all credibility. That image was being promoted at least until the year 1990.

However, in just seven months of 1991 South Australian taxpayers have had to adjust to the horrendous reality that we are in the mire, muck and financial mess, along with Victoria and Western Australia.

The Bannon Government, to be polite, has been financially inept, has been careless and has countless hundreds of millions of dollars of taxpayers' money not earning one cent. Tens of millions of dollars of taxpayers' money have been lost forever.

The Bannon Government has condoned illegal actions. It has condoned conflicts of interest willy-nilly. It has failed properly to supervise or set investment guidelines and exercise adequate control of commercial operations in Government agencies. The Premier and Treasurer, worst of all, has misled the Parliament. Yet, what is the view of the Premier and Treasurer on the SGIC report? As the Leader, the Hon. Mr Lucas, observed, Mr Bannon in the media has been quoted as saying that there have been one or two wrong investment decisions and one or two managerial issues to address and fix up. However, the truth is that, for anyone who has bothered to read the SGIC report (and sadly the Attorney-General is not amongst that number), the conclusions are irresistible.

Let me walk the Attorney-General gently through the report because he needs help in understanding financial matters. At 30 June 1990 the SGIC had accumulated profits and reserves of \$101 million and estimated net assets of \$150 million. Yet, we are told in the inquiry that SGIC at

present may well have a negative net worth. That is an extraordinary proposition—a scary proposition—that the SGIC may, even as we speak, have a negative net worth. That underlines not, Mr Attorney, the downturn in the economy but rather, particularly, the lack of management, lack of control and lack of direction given to SGIC by the Treasurer and obviously a lack of managerial direction within SGIC itself.

The report of the triumvirate of experienced business people—Mr Dick McKay, the recently retired State Manager of the National Australia Bank; Mr John Heard, accountant and consultant, who, interestingly enough, was the same person who warned the State Government about entering into the Greymouth plywood mill investment; and Professor Scott Henderson, Professor of Commerce at the University of Adelaide—is a sound and detailed report to which I now wish to speak. For the Attorney-General to grab one paragraph from a 108-page report and turn it into a justification, to ignore the handgrenades that exist on every page, is stretching the longest bow that I have ever seen in this Chamber in my 12 years in the Parliament.

Let us look at the blistering criticism that this triumvirate has brought down. The compulsory third party insurance scheme—a monopoly to which motorists and all persons belong—had transfers out of its fund. Other funds received the benefit at the expense of the compulsory third party fund. That is quite outrageous. We read that the indirect expense allocation between funds is arbitrary and appears to reflect subsidisation between various operations. It is noted that the compulsory third party is allocated riskier and poorer performing investments. There is also criticism of the health insurance accounts.

There is criticism of the investment strategy. The report notes that \$412 million of the most recent \$451 million investment has been in new and unproven areas. Few of these new investments have been successful. The report states that inadequate and insufficient analysis has been undertaken by SGIC on which to base its decisions to invest or to diversify. Control of investment strategy has been *ad hoc*. Investment decisions are based on inadequate information. The report also states that there has been a lack of discipline in controlling investments and in inappropriate accounting procedures.

Where was the Premier in all this, given that the SGIC Act requires that the Premier himself approves the investment guidelines and, indeed, all real estate transactions? The report confirms that SGIC exercised poor judgment regarding former credit risk insurance as negligible. Of course, that included the ill-fated put options in Melbourne and Adelaide and, as we have heard more recently, the attempts in Sydney to place a put option on Chifley Square.

Indeed, we are told that the inquiry could not indicate whether the options trading in shares of SGIC was making a profit or loss. There was a disagreement: no-one could work out the accounts. The report also finds that SGIC subsidises some of its businesses, that there is a non-compliance with all relevant accounting standards, and that there is a lack of detailed disclosure.

The report states that interfund loans between the insurance businesses were simply not authorised by the SGIC Act and should not have occurred, and that the interfund lending was unlawful. It was unknown to the board—

The Hon. C.J. Sumner: This is all in the report.

The Hon. L.H. DAVIS: That's right, I know—until it had reached huge proportions.

The Hon. C.J. Sumner: It's in the report.

The Hon. L.H. DAVIS: The Attorney-General says, 'It is in the report.'

The Hon. C.J. Sumner: It is in the report.

The Hon. L.H. DAVIS: But he has not read it.

The Hon. C.J. Sumner interjecting:

The Hon. L.H. DAVIS: No, you told us you hadn't read the report.

The Hon. C.J. Sumner: I have read it.

The Hon. L.H. DAVIS: The board of SGIC simply did not know about those interfund loans in excess of \$200 million. What do we know about the board of the SGIC? Since December 1989, the Treasurer had failed to appoint a person to the vacancy that existed on the board. So, SGIC, for a period of nearly 20 months, had only four of the five directors required under the Act. Again, that is negligence on the part of the Treasurer.

The Hon. C.J. Sumner: Isn't that what it says here?

The Hon. L.H. DAVIS: It does say it here, and you should be most concerned about it. You should be voting with this motion. The accounts of the various funds are simply distorted by these interfund transactions. Capital losses were transferred back to the compulsory third party that subsidised other funds. It boosted the performance of the life insurance fund and other insurance funds at the expense of the compulsory third party fund.

Again, that is outrageous and, arguably, it is illegal. Should not the Attorney-General be concerned at breaches of the law as serious as this? All he can say is that the *Advertiser* had been beating the heck out of a story that it should not even have been handling. I just cannot believe that.

The Hon. J.C. Burdett interjecting:

The Hon. L.H. DAVIS: As my colleague, the Hon. John Burdett says, 'What would have happened to a private company that did that?' I tell the Attorney-General that, if this were a private sector insurance company, its licence would have been withdrawn. That is not stated in the report, but that is the preliminary advice I have had from the industry. If the Attorney does not think that is serious, I certainly do.

The Hon. C.J. Sumner: Who says it wasn't serious?

The Hon. L.H. DAVIS: Well, if anyone listening to your response today did not think that you were treating this matter in a flippant fashion, I will go hee in the next no-confidence motion.

Let us talk about the SGIC investment guidelines, because they have to be approved by the Treasurer. The fact is that the Treasurer simply did not approve the guidelines that are in force for the separate insurance funds. He did not approve them at all, yet he is required to approve them. The guidelines last approved by the Treasurer were as far back as April 1987, yet those guidelines, which were approved over four years ago, obviously have been overtaken by events. The slackness and the incompetence of the Treasurer in this matter is unforgivable and hard to believe.

The question has to be asked by an Attorney-General who is waking up to the severity of this report, to the damning nature of this report, 'How often did the Treasurer receive a briefing?' 'How often did he ask for those investment guidelines?' How often did the Treasurer say, 'Are these investment guidelines being fulfilled?' 'How often was the Treasurer asking what investments have taken place, what investments are not performing and what is being done about the non-performance?' The Treasurer is nowhere to be seen.

The Treasurer may well be called 'vacuum man', because on television on Sunday night we hear the Treasurer, dressed in his sportscoat, saying brightly to the media, 'There aren't too many problems with SGIC but, by gosh, I will clean up these problems and we will fix it.' Of course, all the dirt and muck from SGIC were from his own making. Here

comes the Premier with his own vacuum to clean up the mess in which he has been involved and which he has helped create! That is why the Premier is called vacuum man.

SGIC's investment guidelines, approved by the Treasurer, simply have not existed in the case of the insurance funds. That SGIC should be required to comply fully with all insurance industry requirements in terms of disclosure and reserve levels is another finding of this report. The fact is that the SGIC, alone of all mainland Government insurance offices, does not comply with any aspects of Federal insurance legislation or the Insurance and Superannuation Commission requirements.

The SGIC has run roughshod over industry standards. Again, arguably, by doing that it is in breach of its own Act. Quite clearly, it has unfair advantages by being able to underprice its products by not complying with the reserve requirements of Federal legislation, by these interfund loans, and by this jiggery pokery of its accounts.

The report also observes that the SGIC needs capital to achieve the industry accepted levels of solvency for underwriting risks and also to compete on similar terms with its private sector rivals. The report is also critical of the lack of disclosure on a fund-by-fund basis in the SGIC annual report. In other words, the fact is that, if one looks at the accounts which is comprehensible when it comes to an analysis of the life funds and the general insurance funds; they are mixed up. It is a mish-mash of information, and alone, once again, of all the Government insurance offices around Australia which detail their life and their general insurance funds separately with respect to revenue statements, profit and loss accounts and balance sheets, the SGIC just fudges the figures, and one simply cannot understand them. No-one has been able to explain the SGIC figures to me, and I have spoken to some of the top people in the industry, both here and interstate. Again, the Government is made to look a fool by the committee of inquiry report, because at page 35 it states:

It appears that an increase in compulsory third party premiums will be necessary in the near future.

Indeed, on page 39 it strengthens that statement by saying that 'some increase in premiums seems unavoidable'.

Let me tell the financially illiterate Attorney-General exactly what the position is on compulsory third party, because he will be interested in this. The compulsory third party fund will make a loss for 1990-91, according to the inquiry, yet it made a net surplus of \$43.4 million in 1989-90, so there will be a turnaround of at least \$43 million in the compulsory third party fund in the space of 12 months. That should come as no surprise to the Attorney-General.

The Hon. C.J. Sumner interjecting:

The Hon. L.H. DAVIS: Do not reveal your ignorance publicly, Mr Attorney; it is embarrassing. The fact is it has copped all the dud investments. That is why it is not performing. It has non-performing loans. It has Scrimber in the compulsory third party; and it has the Terrace Hotel eating its head off in the compulsory third party. It is not earning any income on the compulsory third party investments. That is why it is making losses.

The Hon. C.J. Sumner interjecting:

The Hon. L.H. DAVIS: Let me quote directly to the Attorney-General, again from page 39:

The compulsory third party fund has been used to maintain the high performance of other sectors of SGIC business.

As regards CTP, it says that it has 'low rates of return and poor investment income'. That is the fact.

It is the problem not only of compulsory third party, but of the corporate account which suddenly appeared, apparently as an unguided missile, to take on board the credit and financial risk insurance, the put options, and the residual financial insurance which racked up a loss of \$7.8 million in 1989-90, and for the first nine months of the financial year just ended has made a loss of nearly \$11 million. As the committee says, in somewhat of an understatement, the corporate fund is not achieving a satisfactory rate of return on investments.

Another point that is not made by the report, to which I have drawn attention publicly, is that there had been no actuarial valuation of the life fund at the time that the Auditor-General last reported to the Parliament, which was 10 April 1991. In the private sector that very important actuarial valuation of the life fund has to be completed within five months, and there are moves to reduce that period to three months. Again, it is simply not good enough. There is extraordinary slackness in approaching this important matter.

Now let me consider SGIC Health, which is heavily subsidised. SGIC's share of the private health market has climbed from 6.4 per cent in June 1989 to 14.6 per cent in June 1990 and to nearly 20 per cent as I speak. SGIC has amazed the health industry how it can continually undercut every other competitor in the health market. My colleague, the Hon. Trevor Griffin, and I were at a cocktail function sponsored by Medibank Private at which the Managing Director of Medibank Private said, 'We are delighted to be in Adelaide. One of the reasons is to find out exactly how SGIC can keep its rates so low, because it has everyone mystified.' That was a public statement. The answer is clear. SGIC has deliberately breached section 20 of its Act, which requires that it should establish separate and distinct funds for each class or combination of classes of insurance. What has obviously happened—and it has been confirmed by SGIC spokesmen and by this report—is that SGIC has financed the very rapid growth of new business areas, such as health insurance, by using funds from other sections.

Indeed, I wrote to the Auditor-General, Mr McPherson, two weeks ago asking him to investigate possible breaches of the SGIC Act. The Attorney-General, as the custodian of law in South Australia, should be interested to know that the Auditor-General said that, indeed, this matter was already under consideration. I was pleased to have that response from the Auditor-General.

In June 1989 there was a consultant's review of SGIC's activities. That review criticised the lack of discipline in procedures and control in the investment division. There were inadequate controls over investments. Investment acquisitions and trading and accounting treatments were incorrect. It also criticised the lack of a formal investment strategy and inadequate performance monitoring and information systems. It criticised as well the control of investment strategies as being *ad hoc*. Two years ago they were talking about transfers between funds and the subsidisation of one fund from another as resulting in the presentation of misleading results.

The question has to be asked: did the Premier and Treasurer know about this? Did he make it his business to know what was happening? Surely a consultant's review of SGIC's investments, with assets in 1989 over \$1 billion, would have been of more than passing interest to any reasonably financially astute Treasurer. Where was the Treasurer? Where was his attention to detail? Where was his attention to his legislative responsibility? That theme runs through this damning 108-page report: that SGIC has inadequately analysed or documented investment proposals and that situa-

tion has existed for some time. We are told on page 57 that investment decisions have been made without a thorough analysis of the proposal and that there has been little documentation.

Again, in an area where it is relatively easy to be right, in a very straightforward and less complex area of investment, namely, fixed interest, the comment on page 61 is that this area of SGIC's investment portfolio has not been based on a well settled strategy and has not been well controlled.

Another criticism of SGIC is that the investment division continued to buy shares in Adsteam after the resolution had been passed by the board on 24 October 1990 instructing the investment division to cease buying Adsteam shares. That is only a matter of months ago. The investment guidelines are so lax as to be non-existent.

Let us examine some of the property portfolio investments. I do not want to take up the time of the Council, but on my estimate the property investments at this moment account for over 50 per cent of total investments. Surely that cannot comply with the investment guidelines. I would be interested for the Treasurer to state publicly what those investment guidelines are at present. That amount, of course, assumes ownership of the ill-fated 333 Collins Street.

I seek leave to incorporate in *Hansard* statistical material which outlines the growth in SGIC investments, particularly with respect to its property investments, in the period 1984 to the present time.

Leave granted.

SGIC—INVESTMENTS

Year Ending 30 June	Shares \$ m	% of total Investments	Property \$ m	\$ of total Investments	Total Investments \$ m
1984	71.6	14.5	45.9	9.3	492.4
1985	103.4	18.6	63.8	11.5	556.4
1986	130.4	20.5	63.4	10.0	636.4
1987	309.6	34.0	100.9	11.1	911.2
1988	443.0	37.7	216.2	18.4	1 176.0
1989	536.5	38.3	307.8	21.9	1 402.4
1990	548.8	40.3	413.0	30.3	1 362.4
July '91	440.0*	24.4	940.0*	52.2	1 800.0*

*Estimate based on known property and share transactions during 1990-91.

The Hon. L.H. DAVIS: That table, again, is a damning indictment of the lack of investment guidelines and lack of control by the Treasurer of South Australia. There are numerous other examples of ill-considered and ill-conceived investments—First Radio and Austereo where it has breached the Federal Broadcasting Act. It has also entered into a number of doubtful property transactions which I will talk about next week, and a number of transactions involving directors and senior executives of SGIC.

Of course, in the matter of Scrimber, as the Hon. Michael Elliott rightly observed, SGIC has absorbed a massive loss. The loss suffered by SGIC is \$30 million. The Attorney-General should understand that that loss came after this report was written. We have to depreciate SGIC's net position by some \$30 million as a result of the collapse of the Scrimber project after this report was completed.

Again, the question must be asked: did the Treasurer approve of SGIC going into the Scrimber project, a project which was high risk, with a long lead time, and with no income stream? Did SGIC seek independent advice from timber experts? There has been criticism of SGIC's decision to buy Austrust, and it is particularly pertinent to discuss this matter at this time. On page 71, the committee states:

The decision to make an investment in Austrust . . . needs re-assessing. SGIC paid \$25.6 million for Austrust in February 1990. The report observes:

One must question the need of the Government effectively to own three different trustee companies.

Yet the Government has ignored that plea, and has pressed on, notwithstanding protestations from myself, a number of staff, and a number of clients of Executor Trustee, and has used the embattled SGIC to take over the well performing Executor Trustee.

We have examples of SGIC pressing on with extraordinary investments in gymnasium equipment, the purchase of Titan in early 1990, notwithstanding the fact that, at the time, it was in financial difficulties and that, at the time, the senior manager of financial investment recommended against its purchase. Not surprisingly, within 12 months SGIC has lost \$1.3 million.

SGIC is the world's put option king. The put option on 333 Collins Street was for a price of \$520 million, and the fee for that was \$10 million. What a small benefit to obtain for a risk of such enormous proportions. The fact is that real estate experts in Melbourne suggest that the property at 333 Collins Street, which is only 30 per cent let, has virtually no income stream, and currently will be valued at no more than \$250 million to \$280 million. The Treasurer personally approved that put option in August 1988.

The Hon. C.J. Sumner: How many more pages?

The Hon. L.H. DAVIS: I am nearly finished. In respect of the interfund loans, it is quite clear that, again, there was a severe breach of the Act. Both State Treasury and the SGIC actuary advised that the interfund loan arrangements did not comply with the intent of the Life Insurance Act or relevant Insurance and Superannuation Commission guidelines. Now, they have been eliminated, but how were they eliminated? The fact is that they were eliminated, by selling off shares, and that has occurred this year. At page 87 the report states:

SGIC is not authorised to lend between funds and there is no legal basis for these loans.

The report states further:

The effect of reducing the interfund loans has been to sell income producing assets such as listed equities whilst retaining long-term poor income producing assets. This will mean reduced profitability in the immediate future in the CTP fund.

That shows that the Premier has misled the House. In fact, the Premier and Treasurer is a liar: no more, no less.

The Hon. C.J. SUMNER: A point of order, Mr President.

The PRESIDENT: It is not parliamentary to make suggestions of that nature in this Council. I ask the honourable member to withdraw his remark.

The Hon. L.H. DAVIS: I withdraw that remark, but I want to say that the Treasurer has seriously misled the House—

The Hon. Diana Laidlaw: And the people.

The Hon. L.H. DAVIS:—and the people of South Australia, because on 5 March 1991 he stated in *Hansard* that the reason for the sale of the SA Brewing shareholding by SGIC was 'on the advice of its independent investment consultancy team that this holding was too large'. Page 87 of the report of the committee of inquiry states:

The effect of reducing the interfund loans has been to sell income producing assets such as listed equities.

In other words, SGIC was forced to sell shares to eliminate the interfund loans, a direct contradiction between what the Premier said to the House and the truth.

The Hon. R.I. Lucas: He didn't tell the truth.

The Hon. L.H. DAVIS: That is right. Again, there was some jiggery-pokery with the accounts. In October, the life fund transferred Adsteam shares to the CTP fund at \$5.31 when their market value at that time was only \$1.28.

The Hon. R.J. Ritson: They turned accountancy into a black art.

The Hon. L.H. DAVIS: That is right, they turned accountancy into a black art. In other words, there was a difference of \$21 million, which means that the life fund booked a cool but fictitious \$21 million profit. Even the Attorney-General's eyeballs are starting to roll as he learns for the first time the depth, the truth and the strength of these incredible allegations.

The Hon. C.J. Sumner interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS: On 30 June 1990 other investments were reallocated between funds at book value which was in excess of their combined market value to the tune of \$8 million. Therefore, the compulsory third party fund copped losses of \$30 million and that, of course, violently distorted—

Members interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS:—the accounts of the compulsory third party fund and the life fund.

Finally, as if we have not heard enough already, let us hear from Arthur Andersen's, the accountants, who made the point to the committee of inquiry that there was no audit committee within SGIC, that there were no written guidelines for employees in relation to investment decisions concerning personal investment and disclosure of interest in SGIC investments, that there were some unusual loan transactions involving persons in very senior positions in the SGIC, that there were no cash flow statements or forecasts of cash flow or projected profits going to the board and that the General Manager and the Chairman simply had not approved interfund loans worth \$242 million. Most interestingly of all, the purchase of the Terrace Hotel for, effectively, an all-up cost including refurbishment for \$100 million, the hospitals for \$42 million, Scrimber for \$30 million and Austrust for \$25 million were all initiatives of the board. Who finally gave the approval for all those transactions? It was none other than the Treasurer of South Australia himself.

The Hon. Peter Dunn: Old vacuum cleaner.

The Hon. L.H. DAVIS: The vacuum cleaner man, John Bannon. So, the case against the Bannon Government is damning, conclusive and proven.

The Hon. I. GILFILLAN: I rise to indicate support for the amended motion moved by my colleague and seconded by me. I will not canvass the arguments covered by my colleague but I want to refer to the deletion of paragraph 6 of the original motion. It is inappropriate to include the matter contained in paragraph 6 in this motion. It is an inaccurate statement of the situation and it is inappropriate for it to be debated—for several reasons. First, the assumption that any workers compensation fund will be fully funded from its origins is impossible. The actuarial information on any workers compensation policy predicted a lead of approximately four to five years before the fully funded situation was reached, although it was geared to be fully funded.

The other error in the text of that paragraph is that the so-called unfunded liability at that stage is calculated on an interpretation of the Act which I believe is wrong and which is currently before the Supreme Court for determination as to whether liability covers the capacity to work which injured workers carry past the second year of their compensation. If the Supreme Court finds in favour of the intention of the Act—and I believe quite clearly that that was the intention—it will have a substantial effect on the so-called unfunded liability of the WorkCover scheme. It is quite clear also that the workers compensation system is under

close scrutiny by a select committee and I believe it is inappropriate to make any critical analysis of WorkCover in this way at this stage. Therefore, it is inappropriate for paragraph 6 to be included in the motion.

However, without paragraph 6 and reworded by the amendments of my colleague, this is a fair and proper motion sheeting home blame and criticism to the Treasurer who must ultimately be responsible for what is a lamentable performance by the SGIC, one that was highlighted many months ago by my colleague, Mike Elliott, in this place. At that time it was not taken up with great enthusiasm even by the Opposition which has now come to realise that we were correct in criticising the Government at that stage. It is not my intention to speak further on the motion, but I indicate my support for it in its amended form.

Members interjecting:

The PRESIDENT: Order!

The Hon. K.T. GRIFFIN: It is unfortunate that the Government has taken the view that the best way to play down the significance of this motion is to do so in a lighthearted fashion. Obviously, the Government is sensitive to the criticism which has been stated publicly and in Parliament in relation to the management of the financial affairs of this State, but the motion that comes before us in this Council is moved seriously. Although it is a reflection of issues raised in the House of Assembly, nevertheless it is appropriate to raise and to debate this motion in the Legislative Council.

The Attorney-General has indicated that, in constitutional terms, there will not be a consequence flowing from the passing of this motion in its present form, or in an amended form, in so far as the Government is formed or lost in the House of Assembly. Notwithstanding that, I think we must all recognise that the Legislative Council does have power almost equivalent to that of the House of Assembly, and that there are represented directly in this Council members of the community without direct representation in the House of Assembly. I refer specifically to the Australian Democrats. It is appropriate that both they and we have the opportunity to address an issue which affects the whole of the South Australian community and on which the Legislative Council has as much an interest as the House of Assembly.

The Attorney-General said that the motion being moved in both Houses was unusual and, in respect of the motion in this Council, unprecedented. He is right that on the first day of sitting it is not usual to move in the Legislative Council motions that indicate lack of confidence in a Government. But the very nature of the issue is sufficient to justify an unprecedented action. There is nothing sacred about today. It was interesting to note that the Attorney-General conferred a sanctity on the opening day of Parliament which I think is probably unique, and I would suggest that even that sanctity is unprecedented. However, from a practical point of view, this is the first available opportunity that the Opposition has had to address this particular issue of confidence in the Government since Parliament rose in April. Of course, since that time there have been significant developments in relation to SGIC and the South Australian Timber Corporation and even in relation to the State Bank.

The Attorney-General also reflected upon the fact that, as he asserted, the inevitable consequence of the passing of this motion or a similar motion in the House of Assembly is an election. It is not necessarily the inevitable consequence but the most likely consequence. However, I do not think that ought to be an argument against putting the issue. It is merely self-protection. There is nothing wrong, in my view, with an electorate that has already voted 20 months

ago by 52 per cent of the two-Party preferred vote for the Liberal Party and the National Party, having another opportunity to get its preferred Party into government. In a democracy ultimately there is no—

The Hon. C.J. Sumner interjecting:

The Hon. K.T. GRIFFIN: It does not worry me. If there is something seriously wrong with the Government of the day, if the people—

The Hon. C.J. Sumner interjecting:

The Hon. K.T. GRIFFIN: Or the Opposition; it does not matter. But, particularly it is focused upon the Government, because it is the Government that has the control of the executive power and is in the position—or has to be in the position—of being accountable. I see nothing wrong with the people ultimately being given an opportunity to express their choice on the issues before us.

The Attorney-General has also suggested that there should be no blame placed upon State Government or its instrumentalities for many of the economic difficulties that this State and nation are facing. However, it ignores the fact that we have had Labor Governments in power in Canberra for something like seven years; we have had the Bannon Government in office for eight years; and we have had Labor Governments of a disastrous nature in New South Wales, Victoria and Western Australia. So, it is Labor that has to accept a significant amount of responsibility for Australia's economic plight. But, to suggest, as the Attorney-General did, that the State Government is in the same category as the Skases, the Bonds and the Connells, as well as the ANZ, Westpac and other banks, is to suggest a confusion of the issue.

Certainly, all those groups suffered from the slump, but an analysis of the reputable agencies—such as the major private sector banks—compared with the State Bank indicates that there was more prudence exercised by those private sector banks than by the State Bank. Of course, to suggest that one ought to judge economic performance by the behaviour of people like Skase, Bond and Connell is, I suggest, quite an outrageous comparison in the light of all the facts that are now beginning to emerge in relation to their corporate misbehaviour.

Whilst not wishing to develop at length another important aspect of financial management in this State, I think it is important in the context of the motion to refer to the centrepiece of the Bannon Government economic policy in the 1985 State election. In that economic policy it was clearly expressed that the State Bank, the State Government Insurance Commission, the South Australian Government Financing Authority, and Enterprise Investments, in particular, would form the focus of the Bannon Government's economic policy and management. Those agencies subsequently have been joined by the South Australian Superannuation Fund Investment Trust and, to some extent, by the South Australian Timber Corporation. However, these financial and economic instrumentalities were, in the description of the Bannon Government's 1985 economic policy, to spearhead the economic development of South Australia.

Of course, relying upon those agencies and their activities has all the hallmarks of the development of a corporate State actively participating in the marketplace with taxpayers' money. If one analyses those and other instrumentalities in the financial and economic arena, one would find that over 200 separate companies are actively engaged in activity on behalf of these agencies and, ultimately, for Government in the private sector.

Evidence was given last week to the State Bank Royal Commission which indicated that, at least in the bank hier-

archy, the bank regarded itself as part of SA Inc. I do not think it is appropriate in the light of the issues that the State Bank Royal Commission is exploring to deal in detail with aspects of the State Bank's corporate and economic activities. But it is important to recognise that at least among the documents which have been tendered and which are available publicly there was an expression of support and participation by the State Bank in the concept of South Australia Incorporated. That was an expression made in 1986, which quite obviously links in with the expressed objective of the 1985 Bannon Government economic policy.

When this statement from the State Bank papers saw the light of day last week, the Premier denied that there was such a concept as SA Inc. That was also denied when SA Inc first surfaced publicly in 1988. On that occasion, in November 1988, Mr Rod Hartley, who was then very much involved in economic development on behalf of the State, denied that the concept played any part in the Government's economic policy. Of course, it surfaced at a time of considerable economic difficulties in Victoria involving the Victorian Economic Development Corporation and in Western Australia, where the concept of WA Inc has taken on quite new dimensions.

Western Australia Inc. really has two major aspects, one being corporatisation (that is, the involvement of Government in private sector activities through various agencies and instrumentalities) and the other being the extent to which the Western Australian Government embarked upon deals with its newly acquired private sector mates who had joined the Labor ship because they could see that a quick and quite substantial profit was to be made. I am not suggesting that the second aspect of the Western Australia Inc. concept is applicable in South Australia—that is something which obviously still has to be explored—but I am suggesting that the focus on corporatisation in South Australia quite obviously demonstrates that, within the economic and financial policy of the Bannon Government, corporatisation played a significant role.

If one looks at individual activities of agencies such as SGIC, one finds that the concept of SA Inc. takes on quite a substantial new identity. I do not intend to deal in detail with the put options—some seven of them, two interstate, two overseas, Health and Life Care, SGIC Health, the gymnasium, the acquisition of Elders Trustee, the Terrace Hotel, car parks, the Centrepoint building, First Radio, Austereo and a number of other activities—in which SGIC either directly or through its agencies was involved. A number of them were also part of a portfolio of investment by the State Bank. There are obviously links between the two Government agencies with respect to some of those corporate activities. Even the State Bank and Beneficial Finance and its involvement through a web of companies both on and off balance sheet and extensive joint venturing indicates the extent to which the bank was involved in entrepreneurial activity.

We see the acquisition of Executor Trustee Company and now that sale, although not consummated, to SGIC to match what is now Austrust (formerly Elders Trustee and Executor Company). We saw the acquisition of a stockbroking firm, which is now called Day Cutten: Myles Pearce (a 50 per cent interest having recently been sold back to the former owners by the bank), Ayers Finnis, United Bank, Oceanic Capital Corporation, Security Pacific and a number of other acquisitions, many of which in relation to both SGIC and the State Bank had to be the subject of formal approval by the Premier.

We have the South Australian Financing Authority with Enterprise Investments, the South Australian Gas Company

and relationships between SGIC, State Bank and SAFA. In the past few weeks we have seen the South Australian Timber Corporation involved with SGIC in the Scrimber project, which resulted in a loss of \$60 million. Also, a year or so ago SATCO was involved with International Panel and Lumber in New Zealand—an entrepreneurial activity which resulted in an \$11 million loss.

Many other agencies of Government have embarked on corporate activities in the private sector: the State Clothing Corporation, the Central Linen Service, 5AA through Festival City Broadcasters and a number of others. Ultimately, a Government has to be accountable for the way in which all these agencies, which are ultimately the responsibility of a Government, behave. One must recognise that when the so-called investments are made it is with taxpayers' funds, and it is those funds that are put at risk and frequently lost, as has been the record so far as indicated by my colleagues the Hon. Robert Lucas and Legh Davis and referred to publicly on other occasions. It is in that area that the Government must accept responsibility for the ultimate loss of taxpayers' funds. I reach no conclusion about the State Bank, which is properly the subject of a royal commission. With that background I indicate support for the motion.

The Hon. DIANA LAIDLAW: I speak briefly to this motion and refer solely to paragraph 3 of the motion which refers to the Motor Vehicles Act and powers under that Act in relation to compulsory third party insurance and the role of SGIC as a monopoly provider of such insurance. It is quite tragic, when one reads sections (e) (i) and (g) (ii) of this report in relation to SGIC's management of compulsory third party insurance in this State, which essentially involves the money of motorists, that one realises that the SGIC has been the custodian of that money and that its custodianship has clearly been abused. My summary of those two sections is as follows. First, it is apparent that the SGIC funded high risk development areas from funds reserved for the future CTP claim settlements. Secondly, it manipulated CTP claims reserves to the benefit of other areas of operation. Thirdly, it displayed a lack of professional duty in administering the CTP fund on behalf of South Australian vehicle owners and the general community. Fourthly, it failed to fully disclose and/or misrepresented the manipulation of its financial operations to the detriment of all its stake holders. It is my belief that SGIC appears, under the protection of the SGIC Act 1970, to have shown little regard to its corporate responsibilities and actively sought ways of circumventing any implied restrictions in ensuring its growth objectives.

Those statements are damning, but they are my earnest assessment of this very sick and sorry report or indictment of the SGIC and its actions, all of which were undertaken if not with the direct approval of the Premier then under his authority in terms of the fact that he has powers and responsibility to oversight the SGIC and as Treasurer certainly has responsibility as custodian of taxpayers' funds. I speak briefly today as I will elaborate on all these matters when I move next week to introduce a Bill relating to competition and CTP.

The Hon. R.I. LUCAS (Leader of the Opposition): I intend to speak only briefly in response to some comments that were made in the debate and to indicate our position regarding the amendment moved by the Hon. Mr Elliott. I was disappointed with most aspects of the Attorney-General's response to the motion. It is disappointing that the Attorney-General sought to use this occasion to abuse one of the conventions of the Council, in particular when he

accused Opposition members of having drunk too much at the parliamentary lunch. On behalf of the members who spoke on this motion I reject unequivocally that appalling and disgraceful accusation made by the Attorney-General. We can only hope that it was an aberration. Certainly we on this side will not abuse those sorts of conventions which most of us have been prepared to support in this Chamber. As the Attorney would know it is not the sort of thing that we ought to be getting into.

It was disappointing to see the childish performance of the Attorney-General in his contribution to the debate. He was merely passable in relation to the rhetoric at the start of his speech and, when he had to address the substance of the matter, his lack of economic substance, of which we are all aware, came to the fore. He relied on typed notes that he obviously did not understand. Thirdly, he was at least frank enough to concede publicly in the Chamber that he had not read the entire report which, as the Hon. Mr Davis indicated, is a damning indictment of the supposedly most senior member of the Government in this Chamber.

I do not want to go back over the ground other than, as I said, to reject the accusations that the Attorney-General levelled at Opposition members. I indicate to the Hon. Mr Elliott that we do not intend to support his amendment. We believe that this is a most serious motion. We certainly hope that the Democrats will be prepared to support the motion moved by the Liberal Party in this Chamber. We feel that the situation is so serious after the State Bank, SGIC and WorkCover matters, and the litany of ills which we have outlined, that it requires more than a slap on the wrist for the Bannon Government at this time. The Liberal Party opposes the Democrat amendment to the motion.

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

Ayes (12)—The Hons J.C. Burdett, L.H. Davis, 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 (9)—The Hons T. Crothers, M.S. Feleppa, Anne Levy, Carolyn Pickles, R.R. Roberts, T.G. Roberts, C.J. Sumner (teller), G. Weatherill and Barbara Wiese.

Majority of 3 for the Ayes.

Amendment thus carried.

The Council divided on the motion as amended:

Ayes (12)—The Hons J.C. Burdett, L.H. Davis, Peter Dunn, M.J. Elliott, I. Gilfillan, K.T. Griffin, J.C. Irwin, Diana Laidlaw, R.I. Lucas (teller), Bernice Pfitzner, R.J. Ritson and J.F. Stefani.

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

Majority of 3 for the Ayes.

Motion as amended thus carried.

SELECT COMMITTEE ON THE REDEVELOPMENT OF THE MARINELAND COMPLEX AND RELATED MATTERS

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

That the select committee have power to sit during the present session and that the time for bringing up the report be extended until Wednesday 20 November 1991.

Motion carried.

SELECT COMMITTEE ON THE CIRCUMSTANCES RELATED TO THE STIRLING COUNCIL PERTAINING TO AND ARISING FROM THE ASH WEDNESDAY 1980 BUSHFIRES AND RELATED MATTERS

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

That the select committee have power to sit during the present session and that the time for bringing up the report be extended until Wednesday 20 November 1991.

Motion carried.

SELECT COMMITTEE ON THE CONTROL AND ILLEGAL USE OF DRUGS OF DEPENDENCE

The Hon. CAROLYN PICKLES: I move:

That the select committee have power to sit during the present session and that the time for bringing up the report be extended until Wednesday 20 November 1991.

Motion carried.

SELECT COMMITTEE ON CHILD PROTECTION POLICIES, PRACTICES AND PROCEDURES IN SOUTH AUSTRALIA

The Hon. CAROLYN PICKLES: I move:

That the select committee have power to sit during the present session and that the time for bringing up the report be extended until Wednesday 20 November 1991.

Motion carried.

SELECT COMMITTEE ON THE PENAL SYSTEM IN SOUTH AUSTRALIA

The Hon. I. GILFILLAN: I move:

That the select committee have power to sit during the present session and that the time for bringing up the report be extended until Wednesday 20 November 1991.

Motion carried.

SELECT COMMITTEE ON COUNTRY RAIL SERVICES IN SOUTH AUSTRALIA

The Hon. G. WEATHERILL: I move:

That the select committee have power to sit during the present session and that the time for bringing up the report be extended until Wednesday 20 November 1991.

Motion carried.

PERSONAL EXPLANATION: NO-CONFIDENCE MOTION

The Hon. T.G. ROBERTS: I seek leave to make a personal explanation.

Leave granted.

The Hon. T.G. ROBERTS: I refer to some speculation about my opposition to the censure motion. The Leader of the Opposition speculated—

Members interjecting:

The PRESIDENT: Order! The Council has granted the honourable member leave to make a personal explanation. Please let him give it.

The Hon. T.G. ROBERTS: I seek leave to make this personal explanation because it is clear that I was misrepresented by the Leader of the Opposition when he rose to speak on reasons why I opposed the motion. The speculative reason stated by the Leader of the Opposition was that I was the leader of the left faction and had decided of my own volition to oppose the position being taken by the Attorney-General. Clearly, that is not the case. The reason why I opposed the position taken was clearly stated in the context of the debate raised by the Opposition. There was no substance in it at all. I speculated that that would be the case. My opposition was clearly not in defiance of the Attorney's position. I am totally loyal to the Attorney as Leader in this House and I am totally loyal to the Party in all other forums. I think the content of the debate explained my position in relation to that matter. I am sure that the Leader of the Opposition here will carry on the debate in other forums over the next three weeks.

JOINT SELECT COMMITTEES

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

That the members of this Council appointed to the Joint Committee on the Workers Rehabilitation and Compensation System and the Joint Committee on Parliamentary Privilege have power to act on those joint committees during the present session.

Motion carried.

SESSIONAL COMMITTEES

Sessional committees were appointed as follows:

Standing Orders: The President and the Hons K.T. Griffin, R.I. Lucas, Carolyn Pickles and C.J. Sumner.

Library: for this session, a library committee not appointed.
Printing: The Hons Peter Dunn, M.S. Feleppa, R.J. Ritson, R.R. Roberts and T.G. Roberts.

ADDRESS IN REPLY

The PRESIDENT having laid on the table a copy of the Governor's speech, the Hon. C.J. Sumner (Attorney-General) moved:

That a committee consisting of the Hons T. Crothers, Diana Laidlaw, R.I. Lucas, C.J. Sumner and G. Weatherill be appointed to prepare a draft Address in Reply to the speech delivered this day by Her Excellency the Governor and to report on the next day of sitting.

Motion carried.

MINISTERIAL STATEMENT: STATE GOVERNMENT INSURANCE COMMISSION

The Hon. C.J. SUMNER (Attorney-General): I seek leave to table a statement given in another place by the Premier on the review of the State Government Insurance Commission.

Leave granted.

ADJOURNMENT

At 5.49 p.m. the Council adjourned until Tuesday 13 August at 2.15 p.m.