

## LEGISLATIVE COUNCIL

Thursday 15 August 1991

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

## ART GALLERY

The **PRESIDENT** laid on the table the following report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence:

Art Gallery of South Australia Extension (Stage 1).

## QUESTIONS

## MICHAEL KEITH HORROCKS

The **Hon. K.T. GRIFFIN**: I seek leave to make an explanation before asking the Attorney-General a question about Michael Keith Horrocks.

Leave granted.

The **Hon. K.T. GRIFFIN**: On Tuesday I asked why Michael Keith Horrocks, an offender with in excess of 80 previous convictions, was released early after serving only seven or eight months of what was a total of four years five months imprisonment imposed in October 1989. Yesterday the Attorney-General made a ministerial statement which gave some information but did not address some of the issues I had raised, including the reasons why Horrocks had been released early. The ministerial statement says that when Horrocks was released on 15 May 1990 on temporary unaccompanied leave he was serving a sentence of four years five months and two days, being a non-parole period of 20 months, plus cancelled parole (however much that was).

If the maximum one-third comes off the non-parole period for the so-called good behaviour, then, even forgetting the cancelled parole which is to be added on, Horrocks should not have been released before January 1991, and if the cancelled parole is added (and that appears to be about two years) the release date is pushed out to January 1993. But according to the ministerial statement Horrocks was released in May 1990, then rearrested in December 1990 and released again in April 1991. It may be that temporary unaccompanied leave was being used to get him out of the prison system early, but that is not clear from the ministerial statement. I suggest that facts are missing from the ministerial statement made by the Attorney-General yesterday. My questions are:

1. Putting aside the matter of temporary unaccompanied leave, what would have been the earliest expected release date for Horrocks when he was sentenced at the end of 1989?
2. Why was he released on temporary unaccompanied leave and was any time limit placed on that leave?
3. Is temporary unaccompanied leave being used to release offenders from prison before parole is granted?

The **Hon. C.J. SUMNER**: I will refer those questions to the appropriate Minister and bring back a reply.

## SA FILM CORPORATION

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

and Cultural Heritage a question about the SA Film Corporation.

Leave granted.

The **Hon. DIANA LAIDLAW**: In mid June, as part of moves to restructure the drama division of the SA Film Corporation, the Executive Producer, Mr Jock Blair, was released from his three year contract and \$150 000 annual salary. However, the terms of Mr Blair's payout were not revealed. I am not sure if this omission suggests that, in negotiating Mr Blair's early retirement, the board and/or the director agreed to terms that enforced silence on all parties. The Minister will recall that this was a controversial procedure which the board employed when it dismissed the former Managing Director, Mr Richard Watson. My questions to the Minister are:

1. How much did Mr Blair receive to ensure his early retirement?

2. Was the Minister consulted and/or did she agree with the decision by the board last year to renew Mr Blair's contract for a further three years?

3. Does she accept that the corporation and, ultimately, the taxpayers of South Australia could have been saved this pay-out, which has been rumoured in arts circles as amounting to hundreds of thousands of dollars, if she had insisted that the board act on the recommendation in the Milliken report that Mr Blair's contract not be renewed, let alone renewed for three years?

The **Hon. ANNE LEVY**: The separation of Mr Jock Blair from the SA Film Corporation was negotiated or decided by the board of the corporation, as advised by the new Managing Director, Ms Valerie Hardy, who was appointed in May of this year. There was no consultation with me regarding either the separation that occurred or the renewal of Mr Blair's contract prior to Ms Hardy taking up the position of Managing Director. I am not aware whether confidentiality decisions have been made between the board and Mr Blair. As I understand it, there was mutual agreement that Mr Blair would pursue his own professional interests, and that the separation was completely amicable on both sides.

The **Hon. DIANA LAIDLAW**: I have a supplementary question. As the Minister indicated that she was not aware whether there were confidentiality provisions, could she ascertain whether that was the case, and the nature of the pay-out package? Perhaps when she brings back an answer to that question, she could seek to answer my question No. 3.

The **Hon. ANNE LEVY**: I will certainly inquire of the board of the SA Film Corporation.

## SGIC

The **Hon. L.H. DAVIS**: I seek leave to make a brief explanation before asking the Attorney-General a question about the SGIC.

Leave granted.

The **Hon. L.H. DAVIS**: Yesterday, we had the remarkable spectacle of the Minister of Consumer Affairs admitting that she had no knowledge of a critical recommendation made by the Commissioner for Consumer Affairs in his 1985 annual report, tabled in Parliament in 1986. That recommendation stated that there were compelling reasons for State legislation to ensure that SGIC should operate under the same regulatory controls as private organisations with which they compete, namely, the Commonwealth Government insurance Acts and guidelines set down by the Insurance and Superannuation Commission.

Yesterday, I advised the Council that Mr John McLenaghan, the Regional Director of the Life Insurance Federation of Australia, had written to the Attorney-General on 30 September 1986 about the same matter. Mr McLenaghan received a letter of acknowledgment from the Secretary to the Minister of Consumer Affairs. Dated 14 October 1986, it states:

On behalf of the Minister of Consumer Affairs (Hon. C.J. Sumner), I acknowledge receipt of your letter dated 30 September 1986 concerning proposals to make Federal Government insurance legislation binding on the State Government Insurance Commission. This matter is receiving consideration, and the Minister will write to you as soon as possible.

As far as I can ascertain, no further correspondence has taken place, although there may well have been some. Certainly, no further action was taken by the Government in response to the strong recommendation of the Commissioner for Consumer Affairs and the Life Insurance Federation of Australia.

As a result of the Government's total inaction and failure to respond to this important and critical recommendation, SGIC, in recent years, has been able to engage in illegal activities which have led to the loss of tens of millions of dollars of taxpayers' money. If legislation had been in place requiring the State Government Insurance Commission to comply with Commonwealth regulations, interfund loans would have been prevented, the put option on 333 Collins Street arguably would not have taken place, and the excessive binge of property speculation by SGIC would not have occurred. Also, the illegal interfund loans between the insurance operations of the SGIC could not have occurred.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. L.H. DAVIS:** Interestingly enough, amidst the laughter of the Government, let me tell them what the Attorney-General said on the same matter. He was reported in the *Advertiser* of 14 May 1991, as follows:

All financial institutions, including State-owned banks and insurance companies, should be governed by uniform Commonwealth legislation.

**The Hon. Peter Dunn:** Snap!

**The Hon. L.H. DAVIS:** Snap, exactly! In other words, the Attorney-General, from having said nothing in—

**The Hon. C.J. Sumner:** Where was that?

**The Hon. L.H. DAVIS:** The *Advertiser*, Tuesday 14 May 1991.

**The Hon. C.J. Sumner:** Will you read all the article for me?

**The Hon. L.H. DAVIS:** I have only that quotation. Anyway, you might like to quote the rest to the Council. Earlier on, several years ago, the Attorney-General, Mr Sumner, ignored the pleas to introduce mirror legislation which, of course, would have the same effect as uniform Commonwealth legislation.

My question to the Minister is simple and direct: why did not the Attorney-General respond to the strong recommendation of the Commissioner for Consumer Affairs in his annual report of 1985, tabled in 1986, and the letter of LIFA (the Life Insurance Federation of Australia) in September 1986? Is the Attorney-General able to advise the Council whether, indeed, he ever did follow up on the Life Insurance Federation of Australia's request on this matter in September 1986?

**The Hon. C.J. SUMNER:** It would be obvious, even to the honourable member, that all the records relating to this correspondence would be with the Department of Public and Consumer Affairs. Accordingly, I will refer the honourable member's question to my colleague and bring back a reply.

## WORKCOVER

**The Hon. I. GILFILLAN:** I seek leave to make an explanation before asking the Attorney-General, representing the Minister of Labour, a question about WorkCover.

Leave granted.

**The Hon. I. GILFILLAN:** On 23 August last year, a joint House select committee was established to review the workers rehabilitation and compensation scheme, known commonly as WorkCover. The mover of that motion and the Chair of that committee is the Minister of Labour, Mr Bob Gregory. Members will recall that some moves for a select committee to look at WorkCover were moved in this place by me and supported by members of the Opposition.

One of the terms of reference of the joint House select committee that was established on the motion of the Minister of Labour was a review of all aspects of WorkCover and the recommendation of the changes, if any, to the WorkCover Act to optimise WorkCover's effectiveness.

I have been on that committee, it has met regularly, taken a lot of evidence and deliberated diligently over the past 12 months or so. However, I am alarmed to see recent reports that there is a move to amend the WorkCover Act and that that legislation has, in fact, been drafted by the Chairman of the select committee, the Minister of Labour. As a committee member, I would be aware had there been any reference to that committee for work on the term of reference relating to changes to the WorkCover Act.

**The PRESIDENT:** Order! I draw to the honourable member's attention that he is a member of the committee and that it has not reported to Parliament, as I understand. So, any of the business that has taken place in that committee is still not the business of the Parliament. It would be better if the member did not refer to what is actually happening in the committee.

**The Hon. I. GILFILLAN:** I am referring to what is not happening on the committee, and that is my beef.

**The PRESIDENT:** That is all right.

**The Hon. I. GILFILLAN:** The committee was set up—and that can be no problem as far as a debating point is concerned—specifically to recommend changes to the Act. Mr President, as you have instructed and advised me, the committee has not reported. If it was verified in the *Advertiser* report yesterday, the fact is that there is not only a draft Bill but also a draft Bill that has been prepared by the Minister—who is the Chairman of the committee—and that it has been submitted to Cabinet for its consideration.

So, I do not think it is too indelicate a matter to reflect on the fact that this procedure, if in fact it is true—and I see no evidence and no denial of it—is cocking a snook at the select committee and the select committee process. I do not think that it would be indiscreet of me to say, as a member of that committee, that I feel that my role and the role of the committee have been insulted by this process. For the benefit of members, the article in yesterday's *Advertiser* was entitled 'WorkCover deficit may top \$300 million'. It stated:

Yesterday, State Cabinet deferred a decision on controversial legislative changes to the WorkCover Act.

There will certainly be controversy, right enough. Because it has been so controversial a select committee was set up on the motion of the Minister of Labour, specifically to consider the matters that we are now informed by the *Advertiser* are in hard form and being considered by Cabinet. What confidence do we have that this Government is taking the select committee process seriously and that it was not just a facade? I believe that the public of South Australia, as well as members of this Parliament, should be

indignant about what is obviously an insult to the proper processes of this place. My questions to the Attorney, representing the Minister of Labour, are as follows:

1. Why is the Minister proposing to introduce legislation before the matter has been before the select committee set up specifically for that purpose by him?

2. Why has there been no request by him for the committee to consider such legislation?

3. Does the Bill propose to change the stress claim criteria and long-term compensation payouts and contain an obligation for employers to re-employ injured workers during recovery?

4. Given that there has been no discussion of the Bill by the select committee, can the Minister, as Chair of the WorkCover select committee, give an undertaking that he will present any proposed Bill to that committee for consideration?

**The Hon. C.J. SUMNER:** I will refer these questions to my colleague and bring back a reply.

### PUZZLE PARK

**The Hon. BERNICE PFITZNER:** I seek leave to make a brief explanation before asking the Minister for Local Government Relations a question about Puzzle Park.

Leave granted.

**The Hon. BERNICE PFITZNER:** Puzzle Park is the adventure playground at Murray Bridge. A concern has been raised by officers the South Australian Health Commission and by the National Safety Council regarding the playground equipment at Puzzle Park, in particular, a slide, which has a vertical drop of 13 metres, while the maximum national standard recommended is 6 metres. At Monash Adventure Playground there is a similar slide from which a person fell and sustained a fracture of the spine. My questions are:

1. Is Puzzle Park covered by the Public Entertainment Act 1913?

2. If so, what is the reason for the equipment not being up to national standards?

3. Is the Minister aware that the accident at Monash Adventure Playground has resulted in litigation proceedings against the Berri council?

4. In view of the Government's general policy on deregulation (as suggested in the review of the places under the Public Entertainment Act), what mechanisms or procedures are available to ensure that potential safety hazards, as described, are adequately controlled?

**The Hon. ANNE LEVY:** The Public Entertainment Act is not committed to me, so I am unable to answer any of the honourable member's queries that relate to that particular Act. I will certainly refer the question to whichever Minister has been assigned that Act. With regard to action which is being taken against the Berri council, without in any way wishing to comment on matters that are *sub judice*, I point out that there is in existence a mutual liability scheme organised through the Local Government Association, to which all councils in South Australia belong. Through this mutual scheme, councils are indemnified for any public liability claims that may be successful against them.

**The Hon. BERNICE PFITZNER:** I ask a supplementary question. I understand that Puzzle Park is a private concern. From an inquiry from the office which deals with places of public entertainment, which is part of the Department of Public and Consumer Affairs, it appears that they are uncertain as to whether insurance is necessary. The position seems to be very vague, so I ask the Minister whether she

will investigate the status of Puzzle Park with a view to establishing which authority is responsible for the park's safety standards?

**The Hon. ANNE LEVY:** I will ensure that the appropriate Minister investigates this question.

### HEAVY TRANSPORT & REGISTRATION AND REGULATIONS SCHEME

**The Hon. PETER DUNN:** There is a bit of ducking and diving around today. I seek leave to make a brief explanation before asking the Minister for the Arts and Cultural Heritage, representing the Minister of Transport, a question about the heavy transport registration and regulations scheme proposed by the Federal Government.

Leave granted.

**The Hon. PETER DUNN:** The Federal Government has proposed a scheme of regulations and registration fees for heavy transport used in the more remote areas of this State. For instance, pastoral areas use road trains and on Eyre Peninsula where the silos are not serviced by rail they are emptied using road trains.

The proposal is to increase the registration fees and the regulations in relation to those vehicles. In particular, registration fees will increase by some 10 to 15 times. I might add that in both of these places there are no railways. There is no boat that services Eyre Peninsula any longer—the *Island Seaway* was unable to do that—yet it is proposed to escalate these registration fees by 10 to 15 times.

Does the Minister agree with the heavy transport registration and regulations scheme proposed by the Federal Government and, if so, for what reasons? Is the Minister prepared to make available to transport operators in those areas identified some moneys that this Government raises from State Government-imposed fuel taxes?

**The Hon. ANNE LEVY:** I object to the throwaway line from the honourable member that there is ducking and weaving going on. Ministers are not expected to be able to respond on matters outside their areas of responsibility. The question he has just asked is also outside my area of responsibility, so I will quite properly refer it to my colleague in another place and bring back a reply when he has prepared such.

### REGIONAL ECONOMIC DEVELOPMENT

**The Hon. J.C. BURDETT:** I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Industry, Trade and Technology, a question about regional economic development—a matter definitely within his area of responsibility.

Leave granted.

**The Hon. J.C. BURDETT:** I received a letter dated 16 July 1991 from the District Council of Mannum. Other members may have received the same or similar letters concerning regional economic development in South Australia. In part the letter states:

On Tuesday 2 July 1991, representatives of the South Australian Regional Development Association met with the Hon. Lynn Arnold, MP, Minister of Industry, Trade and Technology, and presented a submission to the Government calling for the provision of adequate funding to enable regional economic development committees in South Australia to employ full-time development officers and to carry out other important development functions within the regions. The submission was prepared by the South Australian Regional Development Association following widespread concern in regional areas of South Australia that the State Government has neglected to take steps to encour-

age economic development in the regions, while committing enormous sums on the promotion of economic development in metropolitan Adelaide.

The Department of Industry, Trade and Technology, which is the Government department responsible for the economic development of South Australia, currently employs 90 public servants, of whom only two are engaged full time to promote economic development in the whole of regional South Australia. The rest of the staff work on projects promoting development in Adelaide. Out of a total operating budget for the 1990 financial year of \$7 686 000 DITT allocated only \$114 000 to broad-based regional economic development policy. Consequently, the regions have great difficulty attracting industrial and commercial development. Adelaide continues to grow rapidly while the regions are declining.

The SARDA submission calls on the Government to take steps to provide the regions with a fair share of the resources which are being put into economic development. Regional areas account for 27 per cent of the population of South Australia. It is most inequitable that taxpayers in regional areas are required to subsidise economic development in metropolitan Adelaide, when the Government is ignoring the needs of regional areas.

The letter further states:

This council seeks your support to encourage the Government to completely review its regional economic development policy and establish a regional development office with qualified staff in a central office to service regional development committees and regional development officers. The office should be directly responsible to a subcommittee of State Cabinet with responsibility for regional affairs. In order to avoid the collapse of its present regional development program, the Government should, as an urgent interim measure, make direct grants of not less than \$100 000 to each of the State regional development committees for the 1991-92 financial year.

On 22 July 1991, I wrote to the Hon. Lynn Arnold supporting that view. I have not yet received a reply, but I am not complaining about that because it is not very long for ministerial replies.

Has the Minister considered this request which came initially from the South Australian Regional Development Association, and will he make allocations to regional development committees?

**The Hon. BARBARA WIESE:** I shall be happy to refer the honourable member's question to my colleague in another place for a detailed reply. However, the Minister of Industry, Trade and Technology has already on previous occasions made the point that claims that have been made that only two people are working on regional development strategies within his department and within the Government are totally inaccurate, and I repeat that here.

I know from my own experience, as Minister of Small Business responsible for the Small Business Corporation, that that body has been active in assisting regional groups to develop regional enterprises. Since it started that program, through the Small Business Corporation, about 119 new businesses have started up in regional areas, employing in excess of 300 people in full-time or part-time capacities. These self-help development enterprises have been given assistance and advice by people within the Small Business Corporation to get off the ground and establish marketing cooperatives and various other schemes to assist them in developing businesses at the regional level. That is just one scheme.

This year the Federal Government, in the March statement, announced the establishment of the small and medium enterprise development program, which is also designed to encourage regional development. The people associated with that scheme will be working very closely with State Government agencies in the encouragement of regional development.

The Minister of Industry, Trade and Technology and the Premier, over a long period, have been involved in programs to encourage development in regional areas. This has been a major policy thrust of our Government since it came to power in 1982. I am sure that my colleague will be able

to provide much greater detail of the work that has been undertaken through these schemes and the work that it is anticipated will be undertaken in future years.

### MOUNT LOFTY RANGES REVIEW

**The Hon. M.J. ELLIOTT:** I seek leave to make a brief explanation before asking the Minister for the Arts and Cultural Heritage, representing the Minister for Environment and Planning, a question about the Mount Lofty Ranges review.

Leave granted.

**The Hon. M.J. ELLIOTT:** I remind the Council that it is some five years since this review of the future of the ranges was begun. I have had quite a number of concerned citizens talking to me from a wide range of perspectives—everybody from agriculturists, who are not sure what their future will be in the Hills, to local residents and to people who are concerned about Adelaide's water resources. This has been focused on in recent days. The Minister has said that she is concerned about future water supplies, and that was one reason why she wanted to change the rating system. Other people are also concerned about the remnant natural environment of the Mount Lofty Ranges.

I understand that some of the extra studies that were recommended in the draft report of the review are now proceeding, that report having been released in July 1990.

The major concern that has been voiced to me from residents and groups in the environmental areas is that these reports and studies are largely being done outside the public forum, with no indication as to when they will be completed and the final development plan for the region released.

The first supplementary development plan put in place just after the release of the review's draft report was imposed without adequate consultation. That was accepted by quite a few because the moratorium on development was necessary to contain a rush which might have occurred at that point.

Both the SDP and the subsequent one, in which the Government backed away from the moratorium, were interim measures, but the residents of the region are hoping that the next one will be the last; and, of course, it will certainly be the most important.

I understand that some work is being done on land capability assessment and also that the concept of transferable development rights is being examined. Those two issues are seen by many as being crucial to the success or failure of the whole Mount Lofty Ranges review. On that basis, many people are concerned that that work is not being done publicly. There is no reason why the public should not be involved in discussions on how land capability assessment and transferable development rights will work. They are concerned that the next SDP will come out taking these two matters into account, that the Government may not have got it right but that that may be achieved by way of public consultation. My questions are:

1. Will the Minister reveal details of which studies are under way and who is carrying them out? If not, why not?
2. Will the Minister guarantee that proper and open public consultation will occur before any final SDP is released?
3. What is the time frame for the completion of the extra studies and a final development plan?

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

### BUSINESS MIGRATION

**The Hon. J.F. STEFANI:** I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Industry, Trade and Technology, a question about business migration.

Leave granted.

**The Hon. J.F. STEFANI:** In the 1990-91 budget Estimates of Payments—under program 4—\$2.4 million was allocated to promote trade. This amount included a number of expenditure budget lines which were for salaries and wages; goods and services and administration expenses; overseas representation; overseas visits by officers of the department; and State marketing and promotion. My questions are:

1. How many individual overseas trips were undertaken by officers of the department?
2. What were the costs involved?
3. How many business migrants have been secured during the past two years by officers of the department working in the Adelaide office?
4. How many business migrants have been processed and brought to South Australia during the past two years by officers working in the Singapore and Hong Kong offices?
5. With what industries or businesses are the migrants involved?

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

### SOUTH AUSTRALIAN GRANTS COMMISSION

**The Hon. J.C. IRWIN:** I seek leave to make a brief explanation before asking the Minister for Local Government Relations a question about the South Australian Grants Commission.

Leave granted.

**The Hon. J.C. IRWIN:** It is my understanding that the South Australian Grants Commission has moved and is now operating out of the Treasury. It is also my understanding that the costs for running the Grants Commission amounted to \$56 000 in 1988-89, a little more than that in 1989-90, and I expect a similar amount for 1990-91. However, those figures are not available to me. Those amounts came out of the Grants Commission funds, with salaries for commission staff being paid by the old Department of Local Government. How will the South Australian Grants Commission be funded for its administrative and allocative functions in future, and what is expected to be the dollar amount forgone by councils in administering the grants moneys?

**The Hon. ANNE LEVY:** As I am sure the honourable member is aware, negotiations between the State and local government have resulted in a number of agreements being reached. The first one on which agreement was reached related to the Local Government Grants Commission. As the honourable member correctly indicated, the Grants Commission staff will be located within the Treasury Department of the Government to the mutual benefit of both sides, I am sure.

The agreement reached was on the staffing of the unit and its method of financing, which is to be one of two alternatives. The Government has agreed to take up with the Federal Government whether the administrative costs for the Local Government Grants Commission can be taken from the overall Federal grant, which is coming to local government from the Federal Government. This would require legislative change at the Federal level.

The alternative, and the method which will certainly be used for this financial year to finance the unit, is for the grants, when received from the Federal Government, to be invested with the Local Government Finance Authority for a few days before being distributed to local councils.

The interest on this very large sum of money will, in just a few days, be sufficient to pay the entire costs of running the commission and its staff. I am not sure of the sum that is required. I will certainly seek that information, and perhaps I will also be able to obtain the number of days or hours for which a sum of nearly \$80 million must be invested to achieve the funds necessary for the maintenance and administration of the unit.

**The Hon. J.C. IRWIN:** I have a supplementary question. Does the Minister believe that this is a rather creative way of bypassing the spirit of the Federal Government Act which sets up the Grants Commission for allocating its funds?

**The Hon. ANNE LEVY:** This arrangement was jointly agreed to by the Local Government Association and the State Government. It has the full support of the LGA as a means of funding the Local Government Grants Commission. It is equivalent to local government returning to the State Government the costs of administering their money. It is not a way of getting around Federal Government rules at all; it is completely equivalent to local government paying the State Government for administering what is local government's money.

### ENTERTAINMENT CENTRE

**The Hon. R.J. RITSON:** I seek leave to make a brief explanation before asking the Attorney-General, as Leader of the Government in the Council, a question about the opening of the Entertainment Centre.

Leave granted.

**The Hon. R.J. RITSON:** The opening of the Entertainment Centre was indeed a gala occasion, I believe, and, following upon that event, which was much discussed in the community, some slightly concerned citizens had mentioned to me that they were disappointed that Her Excellency the Governor was not at that function. Of course, Her Excellency accepts or declines invitations at her absolute discretion, and I would not begin to comment on that. She is a very busy person, and is already giving a great deal to the State. However, I wanted to be reassured that she was, in fact, invited. I ask the Attorney-General simply to reassure me that she was invited to that function.

**The Hon. C.J. SUMNER:** I do not know whether the Governor was invited. I suppose there is no real reason why she would be. Governors are not invited to every function that is put on in this State, as the member opposite would well know. I understand she was not in Adelaide, anyhow, at the time the function took place last Friday. I will make further inquiries, but I am not sure what point there is in it.

### PHOTOGRAPHIC DETECTION DEVICES

**The Hon. DIANA LAIDLAW:** I seek leave to make a brief explanation before asking the Minister for the Arts and Cultural Heritage, representing the Minister of Transport, a question about photographic detection devices.

Leave granted.

**The Hon. DIANA LAIDLAW:** On 24 October last year, the Minister of Transport introduced the Road Traffic Act Amendment Bill (No. 3) which, in part, dealt with the

detection of driving offences by photographic detection devices, namely red light and speed cameras. The Government was keen to tidy up the owner onus defence provisions which were causing some operational difficulties. The new provisions, which we debated at some length, required a registered owner to state the name of the person who was driving the vehicle at the time. The definition of a registered owner was extended to include the new owner of the vehicle on transfer of ownership who had yet to record such ownership with the Registrar of Motor Vehicles and the person who had hired the vehicle. At the time, the Minister said:

With the proposed introduction of speed cameras, it can be reasonably expected that the volume of follow-up inquiries will increase dramatically. However, these amendments will reduce the necessity of many follow-up actions by the police and therefore result in significant savings in resources.

That statement is interesting in light of the fact that the Government has not yet proclaimed section 11 dealing with the detection of driving offences by photographic detection devices.

The Bill was passed by the Parliament on 14 November 1990 and was assented to on 22 November. Sections 5 and 13 came into effect on assent. The remaining sections—with the exception of section 11—dealing with the issue of detection of driving offences by photographic detection devices came into effect on 1 January 1991. As at 30 July 1991, section 11 had still not been proclaimed. I have checked that advice, and I have also rechecked it with a recent publication put out by the Attorney-General's office. I ask the Minister:

1. Why has the Government not yet moved to proclaim the measures passed by Parliament last November to tidy up the owner onus defence provisions in relation to driving offences detected by red light and speed cameras?

2. As these new defence provisions were considered important last November as a means to reduce follow-up actions and to save police resources, does the Government propose to proclaim section 11 prior to acting on a recommendation by the Office of Road Safety that the number of speed camera sites be doubled?

3. What does it cost the police to operate the photographic detection device program, and what proportion of these costs could have been saved had the Government proclaimed section 11 when all other sections of the Act became law on 1 January this year?

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

### CONTRACT TEACHERS

**The Hon. R.I. LUCAS:** I seek leave to make a brief explanation before asking the Minister for the Arts and Cultural Heritage, representing the Minister of Education, a question about contract teachers.

Leave granted.

**The Hon. R.I. LUCAS:** The Minister of Education recently made clear in correspondence with the South Australian Institute of Teachers that the Education Department accepted that the law required that it must pay long service leave to contract teachers once they had accumulated the necessary service, regardless of whether or not they have achieved permanency. However, a number of teachers have contacted my office and expressed dismay at what they see as the heartlessness of the Government in implementing this promise.

The fine print of the promise states that any break in service of more than six weeks will mean the teacher has not had continuity of service and therefore teaching service

will not continue to accrue long service leave. In addition the Government has ruled that the six weeks Christmas holiday period counts as a break in service. This means that, if a contract teacher does not receive a contract until early in term 1 and has also taught right through to the end of term 4 of the previous year, under the policy they have not had continuity of service. Of course, this situation happens quite frequently with contract teachers. The Education Department personnel section advised one teacher that, if he had 10 years of contract teaching, with the exception of a two week late start in year six of that 10 year period, long service leave could not and would not be paid to that teacher. It is interesting to compare this situation with respect to long service leave for contract teachers in the Education Department with, for example, the long service provisions in the building industry which are much more flexible.

My question is as follows: is the Minister reviewing the Education Department's current policy of awarding long service leave to contract teachers and, if so, is there any possibility that the policy can be interpreted more flexibly?

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

### TUBERCULOSIS IN STATE PRISONS

**The Hon. K.T. GRIFFIN:** I seek leave to make an explanation before asking the Attorney-General, representing the Minister of Correctional Services, a question about tuberculosis in State prisons.

Leave granted.

**The Hon. K.T. GRIFFIN:** Yesterday it was reported that Mr John Dawes, the Executive Director of the Correctional Services Department, confirmed that there had been a tuberculosis scare originating with a prisoner in Yatala's E division in May of this year. In the report of Mr Dawes' statements, it was indicated that some 520 people had been tested over the past two months after a prisoner had been diagnosed as having tuberculosis.

Mr Dawes said that prisoners and department staff who may have been in contact with the infected prisoner were advised to have tests at the Adelaide Chest Clinic. Later in the report, he also indicated that several prisoners and staff from Mobilong and Cadell Training Centre had also been advised to have tests in case they had come into contact with the man whilst he was in Yatala. Apparently, a chest X-ray van was sent to Yatala so that prisoners who wished to be tested could be screened.

The report suggests that the prisoners and staff who may have come in contact with the infected prisoner were merely advised to have X-rays, and facilities were made available for prisoners at Yatala to be tested if they wished, rather than there being any compulsion for that to occur. In the light of the contagious nature of tuberculosis, I would have thought that, in a high risk population such as a prison population, something more than merely advice would have been given and that testing would have been mandatory both for prisoners and staff. My questions to the Minister are:

1. What steps have been taken to minimise the potential for claims for compensation where persons in contact with the tuberculosis carrier are subsequently diagnosed as having the disease?

2. Was the testing mandatory or voluntary? If it was not mandatory, can he indicate why it was not so?

3. What range and categories of persons were informed of the desirability of testing, and what steps were taken to

inform those persons of that position? Is the Minister satisfied that all persons likely to have come into contact with the carrier have been informed of the desirability of testing?

**The Hon. C.J. SUMNER:** I will refer the question to my colleague and bring back a reply.

#### LOCAL GOVERNMENT GRANTS

**The Hon. J.C. IRWIN:** I seek leave to make a brief explanation before asking the Minister for Local Government Relations a question about local government grants.

Leave granted.

**The Hon. J.C. IRWIN:** I note that the Grants Commission allocations to councils in 1991-92 just released by the Minister, leaving out road allocations, total \$61.94 million, an increase of only \$1.89 million or 3.1 per cent over the allocation for last year—a 2 per cent increase judged on a per head of population basis. This is a disappointing increase from the Federal Government through the Federal Grants Commission and a far cry from the expectation given to South Australian local government earlier this year of increased allocation of amounts ranging from zero to \$27 million. When will the Premiers next discuss the recalculation of Federal grants moneys to the States for local government, and can the Minister say whether there is a common line emerging for these calculations for State Grants Commissions to allocate?

**The Hon. ANNE LEVY:** I am sure that the honourable member is referring to the proposal that came from the Federal Grants Commission that fiscal equalisation be used as the means of distributing grants between the States as well as within the States. It was on that basis that South Australia would have benefited considerably, up to \$27 million depending on how the distribution was done and how the calculations were made. I am sure the honourable member is aware that the Commonwealth has decided not to apply fiscal equalisation methods for the distribution of local government grants.

It is true that the Grants Commission report indicated that they were not fully confident of all their figures. Nevertheless, they clearly indicated that they felt some measure of fiscal equalisation would be much fairer than the current per capita distribution of local government grants. I point out that when the Commonwealth made this decision both the Premier and I expressed extreme disappointment that this was not occurring, as we felt, and still maintain, that the principle of fiscal equalisation is highly desirable in the distribution of local government grants between the States. I point out that, of course, it is the Hon. Mr Irwin who has been critical of the principle of fiscal equalisation in the past. So, I presume he would completely support the lack of fiscal equalisation that the Commonwealth Government has just implemented.

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#### ADDRESS IN REPLY

Adjourned debate on motion for adoption.  
(Continued from 14 August. Page 163.)

**The Hon. R.J. RITSON:** I thank Her Excellency for the speech with which she was pleased to open Parliament and I reaffirm my loyalty to Queen Elizabeth II, Queen of Australia, and to her representative here in South Australia, Her Excellency Dame Roma Mitchell, Governor of South Australia. I also express my condolences to the relatives

and friends of recently deceased members, the Hon. Ross Story, the Hon. Geoffrey O'Halloran Giles and the Hon. Dr Victor Springett, all of whom I knew. I offer their friends and loved ones my sympathy and condolences.

The occasion of the Address in Reply is one that is regarded traditionally as a grievance debate and it is approached in various ways. Some members choose to touch on a wide variety of matters, others adopt a theme and others a single issue. On this occasion I will take the single issue approach and discuss one area of health, namely, the topical subject of the proposed reduction of the Medicare rebate by the Federal Government. I will not necessarily come to a conclusion whether it is a good or a bad thing, but there are several ramifications to such a move which I think should be understood and which have not appeared so far in public comment.

The first thing that will have to happen is that medical fees will have to rise by more than the amount by which the rebate is cut. Let me explain that and, in doing so, I will define some terms for the purpose of this argument. They are terms that are used in different ways by different people. However, for the purpose of this argument I will talk about patient billing, direct billing, bulk billing and rebate dependency.

The term 'patient billing' simply means that the doctor gives the patient a bill, which the patient is required to pay—eventually, in most cases. The patient may make a claim against Medicare and receive a rebate, leaving the patient out of pocket by the gap. That depends on the fee. However, the key to it is that the patient is handed the bill, posted the bill, or posted the first account rendered or the second account rendered. That form of practice has the advantage that the patient acts as an auditor. If the patient feels that the medical practitioner is over rewarded, the patient will complain and the doctor will have to try to explain to the patient why the bill should be paid. To my mind that is a very effective way of containing the costs of medical care at the general practice level.

**The Hon. T.G. Roberts:** There is rarely an argument with the doctor; it is with a clerk.

**The Hon. R.J. RITSON:** Well, in past years I have had considerable experience in this matter in private practice and my experience is that the moment I became aware of a patient query at the front desk I offered to see the patient. The patient generally declined such an offer and there is, indeed, something of a joust that people are prepared to have with a receptionist but do not carry it further. I must say that I did not receive a lot of complaints and, as the Tax Commissioner knows and as my bank manager knows, I was never over rewarded.

However, that is a system that has been applied in the past and is still applied by a number of practitioners, mixed with the practice of direct billing. I will use the term 'direct billing', as distinct from 'bulk billing', to describe the procedure whereby, in some cases but not in others—but particularly in the case of pensioners and low income earners—the doctor will send a claim form in respect of that consultation or service direct to Medicare and receive a discounted amount of money, discounted by an average of 15 per cent, perhaps, in full settlement of the account.

As I said, a number of practices apply that procedure to pensioners and low income earners but still patient bill the bulk of the rest of practice. I remind members that that form of pensioner concession has existed in some form or another ever since I graduated in 1961. In fact, under the pre-existing pensioner medical scheme the discount was 25 per cent. In the 1960s there was a pensioner benefit scheme under which there was direct billing of the Government



with a tear-off voucher that the doctor sent to Canberra and he got back 75 per cent. So, pensioners have always received the concession of general practitioner services without apparent cost to them, and I am sure they always will receive that benefit.

Let us turn to bulk billing. Bulk billing means that a doctor or medical practice makes a business decision to direct bill not merely disadvantaged patients but everyone. The doctor or medical practice can then dis-employ a certain number of the people who keep the books, do the accounts, the audits, the banking and the posting—saving all those 43 cent stamps—thereby getting about the same profit or better even though the practice receives a lower unit fee. The bad debts, which can vary between 5 per cent and 30 per cent in a medical practice depending upon its sociology and location, are removed and, as I said, usually the practice can save the salary of a full-time equivalent by making the decision to direct bill in every case.

Let us consider what will happen if the Government chooses to reduce the rebate by, for instance, \$3.50. I know that a number of practices are rebate dependent in terms of the capacity of many of their patients to pay and that it is just not possible for a practitioner to take what would amount to a 15 per cent reduction in gross income.

A bulk billing practice, because it has reduced its staff and costs to the absolute bare minimum, cannot reduce costs any further. The real reduction in net income would be a good deal greater than, say, 15 per cent. So, the bulk billing rebate dependent practitioner could not continue to bulk bill or to practise in that area. So, he would have to introduce some means of recovering the effects of such a cut. To get that amount of \$3.50 back he would have to charge a lot more than a \$3.50 gap, because he would probably have to take on another full-time equivalent. About half the number of people who receive medical accounts require up to three or four accounts rendered before they deal with the matter.

That does not include time, stationery, envelopes and postage stamps (an extra \$1.50), and I really believe that the effect of this would be to force general practitioners to reconsider totally their fee structure. I guess that there would be an absolute minimum of a \$5 or \$6 gap. However, since there has been a quantum leap with the taking on of staff, computers and extra expenses with respect to patient billing for this amount of, say, \$3, I think there is a strong likelihood that most practitioners would take this opportunity to make the quantum leap to the AMA's recommended fee. Patients would then be looking at a \$10 gap, and they would have to bring \$10 with them to see the doctor. There would then be a mixture of systems where practices would direct bill pensioners as usual because the rumoured changes would be such that the rebate in respect of pensioners and other disadvantaged groups would not drop, but for the general body of non-disadvantaged patients it would drop. So, there would be a system of direct billing, patient billing, taking some money over the counter and sending some receipts, and that would have to mean an increase in medical costs to the community.

I appreciate that the only thing that the Government is responsible for is the public medical cost and not the global cost to the patient. This, of course, represents a radical departure in philosophical terms from the original aims of the Labor Party when it introduced Medicare. I recall a meeting many years ago addressed by Doctors Scotton and Deebel who explained why, ideally, private insurance for medical costs should be prohibited. They explained the theory of the queue; in order to ration and control the costs there needed to be a queue of people that would put pressure

on the service providers. The service providers, thus feeling a little bit overwhelmed by the pressure of the queue, would themselves ration the services.

Indeed, at that time, the reason for prohibiting private insurance to cover doctors' fees was that, if such a private insurance were allowed, some of the people would shift to another queue (the private queue) and there would be seen to be two queues: a short private queue and a long public queue. The Government was not going to accept a situation where it would be seen to ration services to people in the long queue while people in the short private queue got through. On this ideological basis, law was passed to prohibit private insurance to cover doctors' fees and, indeed, to prevent a doctor who direct billed a patient from receiving an additional payment.

Indeed, the Government made great play of trying to persuade doctors to bulk bill, that is, to direct bill in every case, by pointing out the huge savings and by saying to the profession that, if they accepted a discounted fee paid completely by the government, not only would it produce the apparently free service from a single queue, according to the government plan, but the discount would be less than the savings they make because they lose their bad debts and the requirement for accountancy staff or collection expenses.

That was true and, in spite of the fact that the Australian Medical Association tried valiantly to prevent the movement towards bulk billing amongst its general practitioner members, indeed the bulk billing practice has grown and we have seen the Labor Party's ideology largely achieve this apparently free service in a way that is apparently acceptable to about half the general practitioner workforce. So, it is surprising that the proposition now to reduce the rebate is a radical departure from that philosophy. It is also an opportunity for medical practitioners to do a quantum leap to the AMA recommended fee so that they properly recover not merely what the Government decrees the gap should be but in fact what is the actual increase in costs.

I am sure that the Hon. Mr Terry Roberts sitting opposite, a man of modest demeanour, great intellect and of Left-wing persuasion, understands perfectly what I mean when I refer to the radical philosophical departure from the original intentions of the Labor Party. It will indeed produce radical changes in practice. Philosophically I do not believe that the Government has any duty to look after the interests of medical practitioners in this regard. I do not believe that it ought to grieve if some rebate dependent practitioner cannot quite make a go of it under a different scheme—that is not the Government's responsibility. In my view, neither is it the Government's responsibility to produce apparently free medical care at the end of a long public queue, but rather to have a system requiring some co-payment by those who can, with a system that satisfactorily picks up the needs of the less advantaged in society without apparent payment. I wonder whether this measure will do it.

The Australian Medical Association has, for as long as I can remember, believed that it is advantageous for some small co-payment to be made. Indeed, that was law under the old medical health insurance system, before the advent of Medicare, and the Government exerted control over the health insurance systems of the day by virtue of conditions of subsidy to non-profit health insurers. There was a requirement then that no rebate exceed 90 per cent of the amount charged. People found ways around that to help poor people, friends, relatives and colleagues, but in general, even before Medicare, the principle was that one paid 10 per cent out of one's pocket.



I wish to reflect a little on the deterrent effect and the possibilities of what would happen if this sort of across-the-board financial disincentive is applied and what sort of consequences will follow. In my experience, with changes across the board in the pharmaceutical benefits scheme, it has not resulted in limiting the demands in the right way or by the right section of the community. It has constantly surprised me that people will pay \$30 or \$40 for expensive but completely non-urgent preparations that have been taken off the pharmaceutical benefits listing as being for minor ailments. What people pay drug companies to get a moderate improvement in acne is quite amazing. What they will pay for products advertised in the back of *Australasia Post* is even more amazing. On the other hand, the increase in pharmaceutical charges has resulted in patients who were prescribed prophylactic antibiotics, coming back with an infected wound because the medicine was \$8 and they decided that they would not get it.

I am not sure that across-the-board financial penalties or disincentives will have the effect of people making selections themselves, in a way whereby only trivial attendances are less frequent whilst important attendances are made. In other words, will the level of infant immunity in the community drop? Will the incidence of attendance for cervical smears drop? I do not think we know. The matter is confused somewhat and it becomes harder to make predictions about the effects of any such changes because, apart from the features I have discussed so far, another ingredient has crept in, namely, the oversupply of doctors and the effect of competition. I note that part and parcel of this discussion is an alleged effort by the Federal Government to increase measures aimed at protecting the Australian-born general practitioner by looking more closely at the entry of migrant doctors and very much more closely at the proliferation of places available in medical schools.

I think it was George Bernard Shaw who said that there is nothing so dangerous as a poor doctor. I have noted a trend by a small percentage of general practitioners towards what might not be regarded as branches of scientific medicine. After all, if a medical practitioner commences to practise naturopathy or homeopathy, laser acupuncture or a variety of forms of alternative therapy, patients in large numbers may be prepared to pay a good deal more for a session of alternative therapy than for a visit to the conventionally trained medical practitioner.

If a registered medical practitioner gains a fairly large clientele in what may be regarded as alternative medicine or on the edge of alternative medicine, then he becomes the only naturopath or reflexologist or what have you on the block whose patients get back a Medicare rebate compared with the other naturopaths and homeopaths whose patients do not get back a Medicare rebate. There has been a movement in that direction.

One of the cost controls that should be applied urgently should be based on defining a medical consultation. If I have a conversation with somebody about who will win the next Melbourne Cup, that is clearly not a medical consultation. If I have a conversation about the probabilities of a pigmented lesion being a melanoma, that clearly is. However, somewhere in between there is a vague point. I think that some work has to be done on the definition of a medical consultation and whether registered medical practitioners should be rebated every time they open their mouth to a patient or whether they should in some way, in claiming rebate, be required to demonstrate or declare that the matter dealt with fell within the area of conventional medicine.

This is a turning point in the future of general medical practice. I do not know where it will end up. It may be that

the Government will not do it after all, but I fear for systems that are based on an actuarial horizontal line. If people say, 'We will draw a horizontal line through GPs fees at a \$3.50 gap' straight away the gap will become a lot more than that because of the factors that I have discussed. To get back that \$3 net the doctor may have to charge \$6. If the gap was 1 cent and he tried to recoup the 1 cent, it may cost \$2 a patient to recover it.

Patient behaviour changes and doctor behaviour changes when we draw actuarial horizontal lines through it. Therefore, the database from which we work out our predictions on cost savings and controls is no longer true and is not knowable until several years have passed and the consequent behavioural changes in the providers and the receivers of the service have become apparent. We shall have to wait. My prediction is that doctors will see fewer patients, that they will charge a lot more with higher costs, that they will continue to give the pensioner concessions and that the gap will become so large that the profession will, as it were, escape Government control and the Government will have abandoned the philosophy that was behind Medicare.

As a member of the profession, and as a member of the governing class, as it were, I do not see that the Government has any responsibility to preserve medical incomes. The medical profession will have to make its own decisions in that regard. However, I am concerned as to whether those changes will result in better or worse health care. In other words, will we see only the wasteful unnecessary attendance disappear or will we see the wasteful unnecessary attendance continue and some of the valuable preventive health care disappear? We cannot know that. I support the motion that the Address in Reply as read be adopted and I commend it to the Council.

**The Hon. PETER DUNN:** I thank Her Excellency the Governor for her opening address and congratulate her on becoming Governor of South Australia. It is a great credit to her long and illustrious career. Dame Roma has been a great ambassador for this State and I feel quite sure that she will carry out her job with the dignity that it deserves.

I offer my condolences to the families of Dr Victor Springett, Geoffrey O'Halloran Giles and Ross Story. I knew the latter two but not the late Dr Springett. They were quite large men in the Liberal Party in the sense that they were good thinkers and debaters and offered much to the people of South Australia. Ross Story was a great friend to everybody. I found him an enjoyable and jolly person and I admired his thought processes.

It is with some sadness that I rise today because I believe that we have been under appalling management for the last eight years. We have in this great State of ours the ability to have a good standard of living, to lead the rest of the world in many things and to be people who can be admired by the rest of Australia. I think Adelaide demonstrates that by the lovely city that it is. However, I do not think that we can let it rest on the periphery of the city of Adelaide. We must look to the rural areas of South Australia, areas about which I know more than I do about the city.

I congratulate people in rural Australia for sticking to it like they are doing. I will demonstrate later the parlous conditions of those people and the enormous burden that they are bearing at the moment. If we do not correct and manage this State in a better fashion in the next eight years, we shall be a forgotten race and a nation so poor that we will not survive in future.

The Hon. Trevor Crothers made a contribution about how well he thought we were going in a lot of places, but he also mentioned that our position was the result of what

was happening in other nations. I admit that that is part and parcel of the problem but, really and truly, to divert attention away from your own backdoor is really only fudging the issue. Never has rural Australia been so poor; never has it felt so hopeless; and, in fact, many rural Australians cannot see the light at the end of the tunnel. I say that with some conviction, having spent the past two weeks talking at some length with a number of rural people around this State, and talking to rural leaders who really have at their fingertips the exact amount of debt, and who have listened to these people tell them what has happened.

Their expectations are exactly the same as those of the people who live in the city. We have a high standard of living and high expectations, and I see no reason why my rural colleagues should not have the same expectation. The expectations that we have in the city have hardly been dented, purely because, if you are on a salary today, and if you live in the city (particularly if you are a public servant), your life is very easy indeed. There has never been a time when there have been more sales in the city; when the prices of all goods and chattels have been so low; when you can buy a car at an enormous discount; and when living is really relatively cheap. I know then the Federal Government would say what a good job the Hon. Paul Keating, the former Federal Treasurer—and I emphasise the word 'former'—did in lowering inflation. Well, he has done it at the price, primarily, of rural people, because I do not see very much drop in the standard of living of the people here in the city.

In looking at key economic factors, I quote from the Australian Bureau of Agricultural Resource Economics some of the inflation factors of the past 10 years. It is interesting to note that Mr Keating, the world's greatest Treasurer—or so he was called—reigned over a nation for over 10 years, which is a long time today, because it does not take long to shift things around. Many people say, 'Well, it has taken 20 years; it has taken 30 years; and we should have made decisions back in those days; it should have been different.'

But, even in South Australia during the eight years that I have been in Parliament, we have seen decisions that have turned out to be atrocious. One has only to cast one's mind around today, read the newspapers, and have a look at what the Government institutions in this State have done in the past couple of years. Those decisions were not made a long time ago; they were made in the past couple of years. I do not have to spell them out, as most of us know about the State Bank and SGIC, the blowout in WorkCover; and that Scrimber does not work.

These decisions were not made 10 or 15 years ago: they were made in the past few years. Let us look at inflation in the past 10 years. I quote from the OECD figures of June this year which state that, in 1990, the OECD countries had an inflation factor of 5.2 per cent, while Australia had an inflation factor of 8 per cent. These are not my figures. It is indicated that they will drop rapidly in 1991 to 5.5 per cent. In fact, the inflation factor dropped to lower than that, but to do that, they have used that very crude tool of interest rates.

The control of interest rates is one of the crudest tools that can be used, and it is one of the worst tools that can be used for capital intensive industries. Most of the small businesses in this country are capital intensive, and it has virtually killed them. It has nearly killed small industry in this country. Not only that, but also I think that it has almost killed most of the large industries. But, when we have such high interest rates (they have been as high as 24 per cent and 25 per cent, and real interest rates 20 per cent), no industry which requires a lot of capital and which has a high turnover of money but retains very little of it will

survive. This is opposed to the salary earners who do not have to spend much capital. Their biggest capital item is, obviously, their house, and then possibly their car. I must say that, if you are on a salary that is indexed into inflation, why should you worry, because you are covered every time?

The only way in which we can correct this malaise we now have is, first, to get these interest rates down. And do not tell me that 14 per cent is a low interest rate. Interest is a percentage and, therefore, it should not fluctuate enormously during any period of one's life; it should remain relatively constant. However, I recall purchasing my property at, initially, a 6.25 per cent interest rate, and today the rate is 14.25 per cent. That is the actual rate paid but, on top of that, a number of bank charges are made which, in effect, increase the interest rate to 16.5 per cent.

It is well known throughout the rural community, particularly by farmers, that one can only make about 4 per cent. What chance do they have of getting ahead with those sort of interest rates, when their income is so low? Of course, inflation has run rampant, as I have explained. The decline in inflation which we now see has largely been brought about by the fact that food items are cheaper than they were (as a percentage of one's income) 10 years ago. It is time that food prices in Australia rose. If that increases inflation, so be it, but it will assist our economy and, to some degree, help some people in rural areas, who seem to bear the whole lot of this inflation factor.

I will now quote figures from the Australian Bureau of Statistics (as appear in the *SA Year Book*) relating to the more common items that may be used in the home today. I will demonstrate why I think the price of food has not risen and kept up with salaries and wages. For instance, 500g of butter in 1981 cost \$1.21. In the March quarter of 1991, butter cost \$1.67. That is an increase of approximately 25 per cent in 10 years. I have rounded off all these figures. One knows how much salaries have risen in the last 10 years: I will quote them to you exactly in a moment. But, these are some of the facts.

There is nothing like a good sausage for breakfast. In 1981 sausages cost \$2.43 per kilogram, whereas in the March quarter of this year they cost \$3.54 per kilogram, an increase of 30 per cent. So we are still hanging around the 25 per cent or 30 per cent mark in the increased price of food. In 1981 an 825g can of peaches cost 82c. In 1991 the price of a can of peaches had risen to \$1.75. They have increased by 100 per cent, and that is a rather interesting example. However, I suspect that this was the price before SPC got its new wage deal. It will be interesting to see what happens to the price of peaches in the future. That is a case of capital intensive industry where the price of peaches went off the mark, and what happened? Nobody wanted to buy them, did they? That is why SPC virtually fell in a hole.

So, if those prices were increased out of line with every other item, the item will not get bought. A dozen 55 gram medium sized eggs, sold for \$1.58 in 1981, and in 1991 they are \$2.21. I suspect that they can now be bought for much less than that. However, that is only a 30 per cent increase. In fact, I saw eggs the other day advertised for less than a \$1.58. That means that the price of eggs has not risen at all. How can the poor old egg producer survive when he is paying salaries and all the other costs this Government likes to add on?

Coffee, very little of which is grown in Australia—most of it is imported—in 1981 cost \$2.78 for 150 grams; today it costs \$4.16. So, that has gone up by more than 50 per cent. One can see that other people have managed to put their beans up, if you like. Margarine, which is really a produce of oil seed, has gone up from about \$1 for half a

kilogram in 1981 to about \$1.38, barely a 30 per cent increase.

So, one can see that the primary producer is wearing this reduction in inflation. I must admit that inflation factors are based fundamentally on food, so the indication is a bit of a false premise. A broader base should be used to determine what is the inflation factor. What I am saying is that food prices have risen less than other articles, particularly wages.

Let us consider what the Australian Bureau of Statistics says about wages. Most of the increases have been between 25 per cent and 50 per cent for food items. What has happened in relation to labour costs? In December 1981, a full-time adult on ordinary time—and I suspect that was a little more than 40 hours a week—was getting \$284.90. In February 1991, that same adult is now receiving \$606.80, a 110 per cent plus increase in his salary. But food items have increased by only 25 per cent to 50 per cent.

That is one of the reasons why the rural community is in the parlous condition it is in today. It is my wish and hope that food prices become a little bit bigger portion of the wages that are in this country. If we look at other countries, we will notice that a bigger portion of their salaries go into food costs. Japan, for instance, which is a nation that has a very high salary, pays a lot more for its food than we do. In Australia we barely pay 10 per cent of our salary in food costs per week. We are now down with America in that field.

I guess that it is an indication of the relative sophistication of a nation if there is more money to spend on other things. That is one of the problems this State has developed: we seem to want to have more money to spend on entertainment centres, art galleries, and so on.

**The Hon. R.R. Roberts:** You were down there.

**The Hon. PETER DUNN:** Yes, I was there: I was there trying to see that the Government was spending its money wisely. I think that the building itself is a good one. I am not sure that we got value for money, but it is a good building.

**The Hon. T. Crothers:** It is a good investment.

**The Hon. PETER DUNN:** No, I think it is a very poor investment; I think it is one of the worst investments. That investment will cost us God knows how much in the future! It will cost about \$4 million a year recurrent expenditure to run it, without servicing the interest on the capital. I think some of the money could have been far better spent on promoting export income of some sort.

**The Hon. Barbara Wiese:** Your Government wouldn't have spent the money.

**The Hon. PETER DUNN:** We might not have spent the money at the time because we were on the slippery slope downhill when this project came forward. I must say that, if that money had gone into promoting a little more export income, we would not be in the stupid position that we are in at the moment where we have virtually lost the farm. This State has lost the farm: it has gone.

I notice the Attorney-General frowning, and he may frown a little later on because I will provide examples of some debts that are similar to those of this State. The farms are gone; they are lost. They cannot be sold at the moment because no-one wants to buy them. However, when things come good, the farms will have to be sold and the banks will have to pick up much loss from those farmers who stay on their properties.

I reiterate again: the costs for wages have gone up by more than 100 per cent in 10 years; yet the cost of food has risen only by 25 to 50 per cent. I was selective in taking those figures. However, I picked them out because I could

correlate them rather more easily, as they related to the same sized article. A change needs to occur in that area.

Having looked at consumer items, perhaps I should look at a few of the commodity prices—and I notice the Hon. Trevor Crothers spent some time talking about overseas countries. I agree with much of what he said. I think that he was close to the mark and that we are being given a very raw deal by the EEC and by the USA.

However, what can they do? Will they put their many hundreds of thousands of farmers on dole queues and have them come into the cities or will they pay that dole money, in effect, in a subsidy for the farmers? Commonsense will say that that is what they will do: they will keep them on their properties. I am saying that not so much about America.

Australia does not have enough people to be able to subsidise its rural communities. We do not have a critical mass big enough to generate enough money to subsidise those people. So, by that very nature, we are a trading nation. If we are to have any sort of rural community, we must trade. Our cities around this nation need to be fed somehow. We are a long way away from other countries, and we will not be able to import foodstuffs cheaply when the trading nations of the world do sort out their differences. And that will happen; there is nothing surer. It might happen more quickly than we are assuming.

In relation to the commodity prices we are receiving, the Australian Bureau of Resource Economics demonstrates clearly what has happened to what was our biggest export earner, wool. At page 161, the 1991 June issue of that magazine states:

For specialist sheep farms, the average farm cash operating surplus is forecast to decline by 85 per cent to \$6 700 in 1990-91, assuming a wool tax rate of 15 per cent is applicable for the season.

It goes on to say that next year—1992—it will fall to a negative of \$300. That is for a full year for a specialist sheep farmer. I would assume that that definition would apply to many of the stations in the north as well as in the South-East—not to people like me, who have a mixed income and can vary it a little bit. However, for those people who have only sheep that is a very dramatic loss of income—going from a net of \$6 700 in one year to \$300 in another year. That demonstrates what has happened.

I will look a little more closely at my own area. Some enormous debt has been incurred in that area, far more than is healthy for the State and the nation. I suspect that what is shown in the table I have is reflected across the nation. If it is reflected in other States, I cannot see how the rural community can ever trade its way out of the debt that it will incur. To be able to pay off capital expenditure, one has to be able to pay tax. The tax regime that we have at the moment is 49 cents in the dollar for individuals earning larger incomes and 38 cents for companies. That must be deducted from the profit, after expenses. If there is then a capital debt, I cannot see, in 50 years, many of these people paying off their debt. That is not allowing for downturns either in commodity prices or, for that matter, drought. I have a table listing figures taken from the eastern Eyre Peninsula. There are six centres on the eastern Eyre Peninsula and I have added nine randomly picked properties from the rest of South Australia to come up with this figure. There are 139 properties all told in that area that have a debt of \$43 711 271. Rather than reading out the figures, I seek leave to have the table inserted in *Hansard*.

Leave granted.

## SIX DISTRICT COUNCILS

No.	Average Debt \$	Total \$
27	270 096	7 292 604
33	264 600	8 731 815
25	379 335	9 483 397
11	195 185	2 147 044
15	281 701	4 225 525
19	346 937	6 591 818
RANDOM SELECTION FOR REST OF STATE		
9	582 118	5 239 068
139	—	43 711 271

**The Hon. PETER DUNN:** The table demonstrates the level of debt in those areas. I have another document that lists the individual properties and the level of debt on those properties. Next to the properties I have listed the number of dependants reliant on those properties. I will quote two or three of the examples. Approximately 20 properties are listed. One property, which has no dependants, is 1 800 hectares or 5 000 acres. It has a debt of \$1.011 million and a minus equity of 226 per cent. Another property has two dependants and is 1 698 hectares—a good, average size property in the area—and it has a debt of \$780 000, with 8 per cent equity. There is another property of 769 hectares with four dependants. That is almost exactly the same size as my property—and it has a \$750 000 debt and no equity. So, members can see that the debt structure is enormous in some rural communities.

One of the nine properties in the random selection was not a property at all; it was a carrying business; in other words, a business in the country. On those nine properties the debt was \$5.239 million, an average debt of more than \$582 000 on each property. Members will see that to make that sort of money and to pay it off through normal trading practice and to pay tax as well cannot happen. There will have to be an enormous shake out in the rural community. It will have to be a shakeout that benefits the farmer, the banks and the Government.

I get phone calls at about 9.30 p.m. or 10 p.m. and it is always a wife ringing up and saying, 'My husband would like to speak to you.' In the past six weeks it has happened to me five times and on two or three occasions the male of the household then bursts into tears on the other end of the line. I do not know how one copes with that; I find it hard. That is the problem that has occurred out in the bush. The debt has them strangled.

The banks were unable to forecast that the interest rates would go as high as they did. The Government certainly did not foretell it and the farmers had no idea what would happen. So, all of them have to take some responsibility for this and some of it has to be wiped off or set aside. Some of these property owners, if they are to survive, particularly those with dependants, have to be given a chance to stay there. I deliberately mentioned dependants because they involve young people who really are the energy and the source of knowledge that we have in our rural and farming communities. We have to help them. There are some who will never survive; they cannot survive in this situation because they are too far in debt. Some of it has been their own fault, but I suspect that would apply to fewer than 10 per cent of the people in trouble. So, some of these others will need an enormous hand to get out of the terrible debt that they are in at the moment.

The drops in income that these people have had to suffer has been quite dramatic. However, they are trying to overcome it. The wool industry overproduced and the old supply and demand law came in and the prices dropped. We have

now dropped production of wool in Australia, according to ABS figures, by about 10 per cent. That will help in the long term. I note that in the past week sales of wool have increased. Beef prices seem to be holding their own, pig and poultry prices are rising slowly, and so are sheep meats, from a very low starting point. Wheat is very easy to trade because it does not deteriorate so rapidly. It can be used in all parts of the State. It is a great way of getting protein and it is used by nations all over the world. But it disturbs me when I read about what has happened recently, where a nation to which we were selling wheat—Saudi Arabia—has developed its own irrigation systems in its own wheat growing areas and is now selling wheat to New Zealand for a competitive price of \$90 per tonne, when it is subsidising its own properties to the tune of \$US800 to \$US900 a tonne. I find it very hard as a wheat producer to compete with that sort of subsidy, but we as a nation do not have the oil from which we can use the income to subsidise those people.

One of the factors that demonstrates what has happened to the rural community is the sale of tractors. The sale of tractors provides a direct relationship to how well the rural community is surviving. In 1980-81 we sold 18 000 tractors in South Australia; in 1990-91 we will sell 6 000 or one-third. If that is not an indication that something has gone wrong in the bush, I do not know what is.

During the 1970s, the interest component comprised about 6 per cent of the total cost of the total of a farmer's income. In the 1980s it was about 14 per cent. It does not sound very much, but to meet that 14 per cent a farmer has to earn an awful lot more money without any extra costs because that is a direct added cost. The problem is not only for those people on the farms; it is killing country towns. I note with interest that the Government has its regional development program up and running. There has been a lot of noise about it, but the Government's actions do not match its lip. We only have to look at the amount of money being spent on public works and to see how much is being spent in the country compared with the city. Roughly 27 per cent of the people live outside the metropolitan area. They are receiving 5 per cent of the capital expenditure of this State whilst 95 per cent is being spent in the city.

I qualify that statement by saying that under the indenture agreement the sum of approximately \$500 million was to be spent on the development of Roxby Downs. That has definitely added to the rural development of that area, but I think it can be discounted because it is a one-off situation. With respect to the rest of the nation, the roads, the railways and the centres of learning, the money is just not being spent in the country. If we look at the projects that have started in the city in recent years we will see the enormous amount that is being spent there. Much of it, I might add, is being spent on circuses and not a terrible lot on bread.

That is one of the problems that has happened with this Government. It has absolutely lost its way. It cannot manage the State; it has proved that and it is certainly not managing it now. The Government has lost its way with the State Bank. It has lost its way with WorkCover—that has blown out—and it seems to have lost its way with SGIC and Scrimber. All these are Government institutions not private enterprise, although private enterprise has been dragged down with them. The State has to attract more industry. We hear a lot about the MFP. Sticking it on a swamp down there amongst the mossies is going to cause a bit of a problem. Also, there is the problem of effluent drainage. I go to Parafield about once a week and when a north-westerly wind is blowing the aroma is certainly not eau de Cologne or Chanel No. 5. If the MFP is situated

closer to the city than Parafield, which it will be, on windy northerly days there will be a bad smell about the place.

I would have thought that the Government might have looked carefully at putting the MFP at a place such as Whyalla or Port Pirie or somewhere in the north where it could have been placed quite easily. I cite what has happened in France with its MFP. It was not placed right next door to Paris; it was placed near Nice where the whole of the people of France take their summer holidays. I am all for the MFP. I think the project is one that we as a State need, but I am not sure that the choice of site has been very good. All it will do is add to the size of this enormous great city.

I have gone to some lengths to demonstrate that I believe that the problems of this rural demise have been caused as much by this State Government as by anything else. We have not kept our costs down and we have let wages blow out. We have added other costs such as water rates which have increased alarmingly. We have watched electricity charges and freight rates rise. The Federal Government has added charges. Let me add that the Federal Government is of the same persuasion as the Government of this State. The Federal Government proposes to add enormous cost to heavy industry. Some of the areas in my electorate have no alternative other than to use road transport to get their products to and from market or to and from the city. Nothing is being spent on country roads, yet the Federal Government is proposing to increase the registration fees for heavy trucks and road transport vehicles by 10 times the present fees. If that is the case we will be looking at a road train with a registration fee, up front, of about \$30 000. That amount has to be added to the costs of those people who live in the country and who can least afford it, but this Government cannot see that.

I have not heard a whimper or a squeak from the Minister. He did say some months ago when this increase was proposed that he did not agree with it, but since it has been released in more solid form I have heard nothing from him. This is probably what this State Government has been about all its life. It does not have a lot of interest in country people and that is a very sad indictment. I think the Government's comeuppance is around the corner. When it happens the Government can languish for a while on the Opposition benches. During the entire time the Opposition has been in Government it has never created the problems that this State is seeing at the moment. This State is in the worst condition that it has ever been in, including the 1890s if one looks at that very bad period. It has deteriorated at

a more rapid rate and the situation is even worse than it was in the 1930s.

**The Hon. M.S. Feleppa:** Do you think that was due to your political Party's ability?

**The Hon. PETER DUNN:** The honourable member interjects and asks was it due to the political Party. It is interesting to note that the Labor Party was in power in all of the States bar one when this happened. I cannot come to any other conclusion than to say that that would have to be the cause of it. What else could it be? It was the direction in which the Government was headed. The Government does not have a direction anyway. At the moment, it is just fighting things as they come up.

It is interesting to note that this State has been one of the worst to suffer purely because it is not terribly organised. We have lost most of our secondary industries. Under the Playford era we built up a big secondary industry because Playford himself realised that we could not rely entirely on primary industry because of its seasonal fluctuations.

He built up the secondary industry which gave us an even income and helped out the State enormously. Since the Dunstan era that has been whittled away and lost. We have added costs to this State and secondary industry does not want to come here. We are now in a position where we are suffering with the highest unemployment and we have nowhere to go. In the past couple of weeks water rates have gone up and the Government says that it will impose a wealth tax and this will be felt by the Government through the ballot box in time to come. It saddens me to have to stand here today and repeat some of those figures. However, they are factual. It is a sad indictment on the management of this State.

The Labor Government has been in power for 20 of the past 25 years and can blame no-one else. There have been some external influences, but the Federal Government has been of a Labor persuasion for the past eight years. If you put two and two together, you can ride a tandem faster and harder, particularly downhill as we have gone. I support the motion but with some sadness in my heart.

**The Hon. BERNICE PFITZNER** secured the adjournment of the debate.

## ADJOURNMENT

At 4.33 p.m. the Council adjourned until Tuesday 20 August at 2.15 p.m.