

LEGISLATIVE COUNCIL

Wednesday 21 August 1991

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

PETITION: HILLCREST HOSPITAL

A petition signed by 3 476 residents of South Australia urging that the Legislative Council keep Hillcrest Hospital open in its present form and allow it to continue its exceptional services to the community was presented by the Hon. Bernice Pfitzner.

Petition received.

MINISTERIAL STATEMENT: JUSTICE INFORMATION SYSTEM

The **Hon. C.J. SUMNER (Attorney-General)**: I seek leave to make a statement.

Leave granted.

The **Hon. C.J. SUMNER**: Over the past few weeks, a number of quite misleading and erroneous statements have been made in the media concerning the Justice Information System (JIS). These statements have been made by people who have either not cared to check the facts before making the statements or by people who have made assumptions from events which have occurred interstate.

In all cases, no-one concerned has bothered to discuss their articles or statements with the JIS Project Director and consequently there is very little factual basis and truth in what has been said. In addition, the recent Select Committee on Privacy, to whose report some of the statements have referred, have recently examined JIS and have expressed satisfaction with its security procedures. In order to allay the fears that may have been generated on this issue, I am providing the Council with the following information concerning JIS.

When work on JIS commenced in 1987, the Government was fully aware of the consequences of storing the JIS data and took certain steps which would guarantee the security and privacy of the data. These steps were:

Overseas and Australian experts were used to provide advice on security and privacy guidelines.

A JIS security committee was established to set up the security system and to monitor and control the security provisions required in JIS.

A JIS privacy committee was established to research existing privacy guidelines and legislation and to monitor JIS against those provisions.

The JIS database and applications were designed from day one to cater for the security and privacy situations which were envisaged.

Since the commencement of JIS, the security and privacy committees have monitored new developments in those areas and have overseen the upgrading of JIS to reflect those developments. When the State Privacy Committee was formed by the Government in 1989, this committee was involved with JIS and has met with JIS staff on a number of occasions.

Storage of agency data on JIS: Data are stored on JIS by the agencies concerned—Police, Attorney-General's, Correctional Services, and Family and Community Services—to allow those agencies to carry out their business functions as

required by legislation. JIS does not store data for the sake of it. Without using the data stored on JIS, those agencies could not carry out their normal business functions. Previously, these data items were stored in office filing systems.

Access of agency data on JIS: Access to data is on a 'need to know' basis in all cases, there are no exceptions. Only those staff who need the data to do their job are given access to that data.

Access is controlled through a security hierarchy with a master security administrator in each agency and with overall security controlled and monitored via a master security administrator in JIS. No-one can gain access to JIS without formal authority from the appropriate agency master security administrator. Each user of JIS has an identifier number and a password. The password must be changed every 25 days and there are restrictions on the re-use of passwords. The user is given a profile which determines the data the user can see on a 'need to know basis'. If the profile does not contain access to certain data, then the user will not see that data and cannot access that data. A good example of this is that the staff developing the JIS systems do not have access to JIS agency data and indeed use a separate computer for their work. Even the Project Director of JIS does not have access to such data.

Any access to certain sensitive data is logged and permanently recorded so that audit trails are maintained. This enables JIS and its agencies to monitor who is doing what on the system at all times. The JIS system even knows a user's normal location, so that if a valid user tries to access JIS from a location they are not registered in, then access will be denied. Logs of all use of JIS are printed each day and are examined for unusual or untoward activity.

Sharing of data on JIS: Strict controls are in place on which data can be shared between agencies. The controls are established and monitored by the JIS privacy committee and are approved by the JIS board of management, which is chaired by the Police Commissioner. Without specific approval, no agency can access data entered and owned by another agency. Again, the sharing of data is on a 'need to know' basis.

The basis of JIS: The JIS was established to help the Government in its maintenance of law and order and to enable those agencies in the criminal and justice administration process to provide a better service to the people of South Australia. It is not a general database with every member of the public on it; the only names on JIS are those who have official business with one or more of the four agencies. No other Government agency can access JIS data and JIS data is not passed to any other non-JIS agency. In addition, JIS most definitely does not pass any data to any private organisation in any form whatsoever.

JIS performances: Some of the recent media comment has mentioned the now out of date information of JIS being over budget. It should be pointed out that since the Government's review of JIS in July 1989, where specific goals and budgets were set for three years until June 1992, JIS has been below budget and on schedule from that time. JIS has 40 computer systems to install by June 1992 and with 26 already operational, it is on target to achieve its goals by June 1992.

Summary: JIS has been quite unfairly maligned over the past few weeks by ill-informed statements made by people who have not in fact discussed their concerns with anyone in JIS or even in my department. It cannot be compared with situations interstate because other States do not have anything like JIS, although it is obvious from inquiries that have been made that they may wish they had. JIS exists to help the justice related agencies carry out their responsibil-

ities more efficiently and to reduce the amount of criminal activity by the provision of better information to those agencies. The staff of JIS are highly professional staff who are fully conscious of their responsibilities and obligations in working on such a project, not 'the corrupt bureaucrats' that one person has called them.

The people of South Australia need not be concerned with the data that JIS carries. The Government will always ensure that privacy provisions will be reflected in the activities of JIS. I would be happy to arrange for any honourable member to receive a briefing from the Director of JIS on the privacy and security measures in place.

To specifically answer the questions raised by the honourable K. T. Griffin in the Council yesterday:

1. Members of the JIS Privacy Committee comprise: Mr R. Layton, Director, Executive Projects, Family and Community Services, Chairperson; Senior Sgt. G. Rawson, Police Privacy Unit, Police Department; Mr P. Frensham, Privacy Co-ordinator, Department of Correctional Services; Ms R. Horgan, Executive Officer, State Privacy Committee; Mr A. Barnett, Officer of Crime Statistics, Attorney-General's Department; and Ms S. Vaughan-Williams, Quality Manager, Justice Information System. Its terms of reference are to monitor and advise the JIS Project Management Committee (PMC) and Board of Management (BOM) on the effectiveness of privacy arrangements implemented by JIS Central and the agencies, for JIS-based applications. The monitoring to be carried out using the following document as the 'yardsticks': (a) Handbook on Information Privacy Principles and Access to Personal Records; and (b) JIS and the Protection of Privacy Interests Guidelines and Questionnaires.

The procedure for using the guidelines is as follows:

On being made aware that a quality assurance review is about to be carried out, the Privacy Committee will issue the questionnaire to the group carrying out the review. The group will complete the questionnaire as part of the quality assurance review and pass the results to the privacy committee. The completed questionnaire will be reviewed by the Privacy Committee, which will then determine the actions it needs to take. (It should be noted that the application development process will not stop while the Privacy Committee is reviewing the questionnaire).

Advise the Project Management Committee and Board of Management on matters of policy and practice regarding privacy.

Advise the PMC and BOM on modifications required to privacy arrangements.

Review the privacy monitoring procedures in 1, above and recommend any changes to PMC and BOM.

Act as a reference point on privacy matters.

Liaise as necessary with the State Privacy Committee.

Provide a report to the project director each quarter of the committee's activities which will be incorporated into the GMB quarterly report and also will be sent to the State Privacy Committee.

The Chairperson of the JIS Privacy Committee will report to the Chairperson of the JIS Board of Management. It should be noted that a quality assurance review is comprehensive and details investigation of all aspects of procedures and policy and is carried out on all JIS computer applications before they are put into operational use.

2. JIS specifically uses the Government's information privacy principles as its code. It also has its own internal guidelines which have been developed from those privacy principles. In addition, JIS is currently reviewing its security and privacy provisions against the United Kingdom Data Protection Act to ensure that the provisions in this Act can

be met by JIS if similar legislation is introduced in South Australia.

3. The sanctions in place against individuals who break the privacy code are contained in the GME Act.

4. The security and privacy provisions within JIS were explained to the recent Select Committee on Privacy, which was satisfied with the situation at JIS. In addition the select committee members have today spent more time at JIS to go into more detail on the operations of JIS. I invite the honourable member to do the same.

The current guideline at JIS, as explained in the answer to Question 2, are the Government's information privacy principles and the JIS guidelines based on those principles.

5. Breaches of JIS security guidelines are dealt with under the GME Act.

QUESTIONS

UNEMPLOYMENT

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Attorney-General, as Leader of the Government in the Council, a question on the subject of unemployment in South Australia.

Leave granted.

The Hon. R.I. LUCAS: The most recent unemployment figures for South Australia showed a tragic situation with 20 000 jobs being lost in the State in July, an unemployment figure of 10.4 per cent, and 26.6 per cent of our young people unemployed. Yesterday's Federal budget announced an intention to legislate for a compulsory superannuation levy on all employers. The levy will initially be 3 per cent of payroll for small business and 5 per cent for medium and larger businesses, increasing to 9 per cent of payroll by the end of the decade. Business leaders like the General Manager of the South Australian Chamber of Commerce and Industry, Mr Lindsay Thompson, have already predicted that this move will lead to further job losses within South Australian industry.

Nationally there are already predictions that unemployment figures will increase by 100 000 to 150 000 as a result of the recession and other economic policies such as the Federal Government's superannuation levy. These figures would mean another 10 000 to 15 000 workers losing their jobs in South Australia. Does the Attorney-General agree that the compulsory superannuation levy will lead to further job losses in South Australia, and does he accept that the unemployment rates in South Australia will now exceed 11 per cent?

The Hon. C.J. SUMNER: I cannot answer the second question, and I am not sure that anybody could answer it. The situation with unemployment is obviously unacceptable but, as we know, it is caused principally by national economic policies, which have led to the current recession that we are in.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: Nevertheless, I think it is fair to say that South Australia's unemployment rate has not recently been and is not now the worst in Australia, although it is slightly above the national average.

An honourable member interjecting:

The Hon. C.J. SUMNER: I am not trying to suggest that the situation is satisfactory. The honourable member has asked me a question and I am merely saying to him that the increase in unemployment that has happened in South Australia has happened throughout the nation, South Aus-

tralia included. At least at the present time the South Australian rate of unemployment is not the worst in the nation, although it is a few points—not many—above the national average.

On the question of superannuation, at least we can say that this Government has addressed it vigorously over the past few years. In principle, it is a policy that I support, and I would expect the South Australian Government to support it. I would have thought that members opposite would also support it because, unless we get a more universal contributory superannuation scheme in place in this country, in 10 or 15 years we will be in a terrible plight with the ageing population if general taxpayers at that time must pay old age pensions out of general revenue. The burden will be quite incredible. Steps have to be taken, and I am pleased that the Federal Government has taken them through the accord and now, again, through this budget, to improve the contribution that working people will make while they are working to their pension arrangements on retirement.

I am surprised that anyone here would want to argue with that basic proposition. I think, in time, it will be seen as one of the most far-sighted actions of the Hawke Government, because it is a necessity for our nation. Until recently, we have not had a situation where there has been employee-funded superannuation during an employee's working life. That is unlike the situation in many European countries, in particular, where there is compulsory contribution to superannuation for all workers during their working life.

An honourable member: By the employers?

The Hon. C.J. SUMNER: You can argue that this is one sided and that at the present time it does not go to complete coverage of superannuation. However, it is a contribution that will overcome at least some difficulties which would have arisen had we left in place the situation of 10 years ago. The situation in Australia would have been intolerable, and I am surprised that members opposite cannot see that. Those who come from other countries will know that superannuation and pension arrangements are put in place with a contribution right from the beginning. As members have said, in most cases the contribution is from workers and employers right from the beginning of an employee's working life. To my way of thinking that is a much more sensible way to fund superannuation. However, at least this Government, in the past few years and in this budget, has taken an important step in trying to ensure that greater coverage is made for workers' superannuation when they retire in order to relieve the impost on the general taxpayer in 10 or 15 years time, which I think everyone concedes will be enormous.

So, I support the general principles relating to superannuation. They are far-sighted and necessary. I do not think members opposite would really want to argue about them too much. What effect they will have on jobs I am not in a position to predict. Members have given some predictions from certain people and they are entitled to their opinion. All I can say is that unemployment is unacceptably high; we know that. However, South Australia is not generally faring any worse in this area than the rest of Australia.

WILPENNA DEVELOPMENT

The Hon. K.T. GRIFFIN: I seek leave to make an explanation before asking the Minister of Tourism a question about the Wilpena development.

Leave granted.

The Hon. K.T. GRIFFIN: A report in last night's newspaper that the developers of the project at Wilpena in the Flinders Ranges are looking overseas for the \$50 million required for the development—and that followed a report about a week ago in another newspaper—suggests that it is an appropriate time to seek information about the development.

Members will know that towards the end of last year the Parliament was required to pass legislation to facilitate the development to enable the developers—Ophix Corporation—to give good security to financiers. That was nine months ago, and it appears from the newspaper report that progress has not been made in raising finance, notwithstanding that the legislation was said to be necessary to ensure that finance could be raised.

This, then, raises some questions about the lease by the Government to the developers. It was signed on 16 January 1989 and runs for 45 years from that date. Under the lease, the developers are required to complete a substantial part of the development by 30 June 1994. The lease also provides for the following: rent of \$100 000 per annum to be paid, with the first payment on 31 October 1990; a bank guarantee for \$100 000, to be lodged and to be indexed by the consumer price index each year; the preparation of a public information plan within 12 months of the date of commencement of the lease, that is, by January 1990; and the preparation of an environmental maintenance plan by January 1990.

Obviously, neither of the last two matters were complied with, and one can only presume that extensions of time were granted by the Government in relation to those two matters. Of course, under the Act that we passed last year both of those plans have to be laid before Parliament. My questions to the Minister are:

1. What is now the scheduled date for commencement of the work authorised by the lease and has there been any extension to the 30 June 1994 date for completion of the first stage? If so, what is the date of the extension?

2. What, if any, amendments or variations to the lease or extensions of time for compliance with the preparation of the public information and environmental maintenance plans have been agreed or granted by the Government?

3. Has the rent payment of \$100 000 due on 30 October 1990 been paid and, if so, when? If not, why not?

4. Has the bank guarantee of \$100 000 been lodged by the developers with the Government and, if so, when? If it has not, can the Minister indicate why not? Can she also indicate whether or not that \$100 000 guarantee has been indexed, in accordance with the provisions of the lease?

The Hon. BARBARA WIESE: I am unable to answer some of the questions that the honourable member has asked. As he would be aware, the proposed development for the Wilpena national park is a matter that comes under the ministerial authority of my colleague the Minister for Environment and Planning. The administrative issues, in particular with respect to the terms of the lease agreement, are matters for which she has responsibility and I will have to refer those questions to her for a suitable reply. As to questions relating to any amendments and variations to the agreements for a public information plan, the environmental management plan, the rental arrangements and the bank guarantee, I will have to refer those to my colleague and seek appropriate replies thereto.

As to the question relating to any extension of time for the developers to substantially complete construction of their proposed development, as far as I am aware no extension has been granted. No extension has been requested. I presume that that is because the proponents are still actively

seeking investors for their proposed development, and I presume it means that they are still hopeful that they will be able to put together an appropriate financial package, to enable construction to begin.

I think it has been said publicly already that the attempts made by Ophix to find Australian investors for this development have not been successful, or at least not to the extent that they had hoped. It was their intention and preference for this to be a solely Australian development and, although they have had some interest expressed, as I understand it, by some Australian companies, they have not yet put together a package that is sufficient to enable the construction of the development as proposed. Therefore, steps have been taken to seek interest from overseas companies and individuals.

As I said, I expect that, because they are still hopeful that it will be possible for them to put together their financial package, they are still satisfied with the general terms of the agreement as to commencement dates, and I have no information which would suggest to me that any requests have been made to alter that.

SOUTH AUSTRALIAN 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 South Australian Film Corporation productions.

Leave granted.

The Hon. DIANA LAIDLAW: Last Thursday I asked the Minister why the board of the South Australian Film Corporation had last year renewed for three years Mr Jock Blair's contract of employment as Executive Producer, a decision which ignored the recommendations of the Milliken report. The Minister did not know at that time (and I anticipate receiving a reply in due course), but I note that on the following day in the *Advertiser* the Chairman, Mr Hedley Bachmann, said:

... the corporation had no option but to renew Mr Blair's contract last year because Mr Blair had wanted a contract and the SAFC needed to keep up production.

I understand that at the time Mr Blair's contract was renewed he had been working on the following productions: *Shadows of the Heart*, *Golden Fiddles*, *The Battlers*, *One Crowded Hour* and *Starship Home*. I also understand that a year later, when Mr Blair's new contract was terminated, the South Australian Film Corporation had invested over \$1 million in these five productions, a sum which includes Mr Blair's salary. I ask the Minister:

1. Can she explain why last year the board considered Mr Blair was indispensable in terms of keeping up production but that in the course of a year the board did a 180° back flip and found it necessary to get rid of Mr Blair, at a great expense to the corporation and taxpayers generally?

2. With the departure of Mr Blair, has the South Australian Film Corporation written off its pre-production investment in each of the five properties for which Mr Blair was responsible while at the South Australian Film Corporation—a sum assessed at approximately \$1 million?

3. If not, what is the current status and future fate of the five properties?

The Hon. ANNE LEVY: For some of the details which the honourable member has requested, I will have to seek information from the board of the Film Corporation. But I would like to make a few comments. Of the five productions that she mentioned, one of course has been completed,

namely, *Golden Fiddles* which is a joint production with a Canadian group.

The Hon. L.H. DAVIS: I thought it might have been something about the South Australian Government!

The Hon. ANNE LEVY: It is not about the South Australian Government, nor about the Service to Youth Council. However, it has been completed and I think it has been shown publicly. If it has not yet been shown, it will be shown very shortly through a commercial television station. As I understand it, at this stage it has not been possible to arrange finance for the other productions that have been mentioned. I am not sure whether decisions have been made to write off the four of them or whether some will be written off but for the others there is still hope that finance can be arranged and production can proceed. As I say, I will obtain that information from the board and give it to the honourable member. As to Mr Blair's contract, as I understand it there has been no payout of Mr Blair but, again, details on this will certainly be available when I am in a position to bring back a response to the question that the honourable member asked a few days ago.

As to why Mr Blair was considered indispensable not 12 months ago—I think it was 15 or 16 months ago—but is not considered indispensable now, I do not have the full answer to that. I know that at the time his contract was renewed there was a different managing director from the person who now holds that position, and I am sure that in both cases the board has acted on the strong advice of its managing director. Of course, I stress that not just a change in managing director has occurred: there have been great changes in the film industry in the past 15 months; the availability of finance in this State, nationally and internationally has changed dramatically, and I am sure the honourable member's friends in other areas of the film industry will confirm that.

The film industry now is certainly not what it was in 1990 and the environment in which the Film Corporation operates, as indeed the environment in which all the film industry operates, must obviously play a role in determining decisions as to how an organisation is to proceed.

PARKLANDS PARKING

The Hon. I. GILFILLAN: I seek leave to make a brief explanation before asking the Minister for Local Government Relations a question about car parking in the parklands.

Leave granted.

The Hon. I. GILFILLAN: Over four years ago car parking in the Botanic Park area of the parklands was challenged by me in helping to form an organisation to oppose the STA car park. Over two or three years we have eventually seen that area returned to parklands. That has been successful and the association has provided a strong caring role in preserving the parklands but, to coin a phrase that has been used at other times and in other circumstances by the Minister, 'They are at it again.' Moves are afoot to alienate more of that area of Botanic Park for car parking purposes.

The Hon. Anne Levy interjecting:

The Hon. I. GILFILLAN: I will not pursue that line of interjection, but I hope the Minister will appreciate the seriousness of this issue, as I am sure she shares with me and many other members in this place a strong dedication towards fighting to protect our parklands.

Members interjecting:

The PRESIDENT: Order!

The Hon. I. GILFILLAN: There is a proposal for an upgrading, so-called, and extension to car parking facilities in the Botanic Park between the Botanic Gardens and the Adelaide Zoo. That proposal is currently available for public comment and scrutiny. The details have been made available to me through the Parklands Preservation Association, of which I am an executive committee member. The proposal has been designed by consulting engineers Maunsell Pty Ltd, under what I understand are specifications and directions from Adelaide City Council.

It includes the provision of one way traffic along Plane Tree Drive and Botanic Drive, 90 degree parking on Plane Tree Drive and Botanic Drive for 462 car and a fee to be charged for parking and relocation of bus parking areas. The Parklands Preservation Association recently made a policy statement, which includes the following:

... the policy of this association is that we are not prepared to recommend any scheme that would lose, to the people of South Australia, one square metre of their parklands.

I, and I am sure many others here, agree with that statement. The project to make more space available for car parking is, I believe, totally contrary to that spirit. It is of concern to me that it is being taken seriously by members of the Adelaide City Council and possibly the Government.

There are three aspects to the Maunsell proposal that are totally objectionable to those supporters of our diminished parklands. They are the taking of grassed areas from the Botanic Park arena from the zoo service entrance to the bus turnaround; the taking of grassed areas between the road and the zoo fence for the parking of 89 cars; and the provision of areas for permanent bus parking for up to 20 buses. I point out that the land in question was originally parkland and, although it has been variously alienated between its original time and now, it must be returned—and many people believe it must be returned—to its original parkland purpose.

I find the proposed charging of a fee for the use of those areas objectionable. There has been no widespread outcry for increased parking facilities within the parkland area in spite of the fact that the latest estimate is that 1.5 million people visit that area for various purposes in one year. I point out that it is reasonable to assume that the parking facilities currently provided are adequate. Therefore, I ask the Minister:

1. Has the Minister viewed the plans for this proposal?
2. Does the Minister support the taking of further parkland space for additional car parking and/or the charging of a fee for the use of that space?
3. Will the Minister make representations to the Adelaide City Council and Maunsell engineers opposing both the fee proposal and the provision for more car parking space?

The Hon. ANNE LEVY: As I understand it, Botanic Park is administered by the Botanic Gardens and is no more part of the parklands than are the Botanic Gardens. In other words, originally it was certainly designated as parklands but it is not, as I understand it (and I may be wrong), under the control of the city council at the moment. It is under the control of the Botanic Gardens board, although the administration of parking may well be undertaken by the city council by agreement with the board. I will certainly refer the honourable member's question to the Minister for Environment and Planning, who is the Minister responsible for the board of the Botanic Gardens.

WORKCOVER

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Minister of Small Business a question about small business superannuation.

Leave granted.

The Hon. L.H. DAVIS: Yesterday, we had the fairly unedifying spectacle of the Minister shuffling through the Governor's address to determine whether or not the two words 'small business' had appeared in the 12 months Government program set down in that address and alas she found, to her horror, that they did not appear. Also yesterday there was an event of some moment for small business that was announced in the Federal budget. The fact is that small business in South Australia will face a double whammy through further sharp cost increases as a result of yesterday's Federal budget. I refer to the fact that small businesses with as few as 15 employees will be obliged to pay a figure equal to 5 per cent of employee earnings into an approved superannuation fund as from mid 1992.

To put that into perspective, it will represent a 2 per cent increase in payrolls over and above any salary or wage increases at a time when the inflation rate is predicted to be running at only 3 per cent. In other words, it represents a significant cost increase indeed. Unlike all other States, South Australian small businesses are required to pay WorkCover premiums on all superannuation payments and also on severance payments. This will be an outrageous additional cost burden on South Australian businesses at a time when unemployment is at 10.4 per cent and rising. This measure will almost certainly discourage growth in the small business sector and may mean that some small businesses will relocate in other States.

At the moment employers have to pay WorkCover premiums on severance payments to employees who have been retrenched. As they are no longer working, there is no risk requiring WorkCover. It is not uncommon for retrenched workers to receive severance pay of \$30 000 to \$40 000. This may be made up of redundancy payments of two weeks for each year of service, long service leave, holiday pay and, in some cases, accrued sick leave. In South Australia an employer has to pay workers compensation on severance pay. If, for example, the severance payment is \$40 000 and the WorkCover premium for the small business is 7.5 per cent, the employer will be required to pay \$3 000 to WorkCover on the severance payment, that is, 7.5 per cent multiplied by \$40 000.

This is the only State in Australia where this is required. It is a monstrous, inequitable and totally unjustifiable cost to small business, according to some of the small businesses to whom I spoke this morning about the matter. The Minister should also know that national employers find WorkCover in South Australia, with provisions such as this, more costly and out of line with other States. The Minister will also no doubt be aware that currently there are record levels of small business bankruptcies in South Australia, and a large slump in business investment is forecast for 1991-92.

So, in summary, this Federal budget measure, together with the Bannon Government's punitive WorkCover legislation, will surely bring further gloom to and more closures in the small business sector. My question to the Minister of Small Business, presumably caring for the welfare of small business in South Australia, is whether she supports moves to amend WorkCover legislation to delete this iniquitous provision requiring employers in small businesses and businesses throughout South Australia to pay WorkCover premiums on redundancy payments.

The Hon. BARBARA WIESE: As the honourable member knows, legislation relating to WorkCover falls within the responsibility of my colleague the Minister of Labour. As the honourable member would also be aware, the Minister of Labour is currently considering various propositions that have been put to him from numerous sources about WorkCover legislation, and he is considering what action ought to be taken on those matters. I am sure that this issue will be brought to his attention if this view is considered to be a problem at all or an issue of significance as the honourable member suggests that it is. The honourable member should be aware that the people responsible for WorkCover are not only those within the WorkCover administration and members of the Government but there are employer and employee representatives on the board. It has continuing and regular contact with people in business circles and from business organisations about WorkCover and about the way the system works. I am very aware that considerable concerns are being expressed by people in business about WorkCover in South Australia, and concerns expressed to me have always been passed on to my colleagues. I know that those concerns are receiving proper attention by the responsible Minister and the Government generally.

Considerable criticism has also been levelled at the Federal Government about the new superannuation provisions announced in yesterday's Federal budget. My colleague the Attorney-General has already made the point very properly that the superannuation proposals should be supported by everyone in this place because the problems for Australia, if we do not start moving down this path now, will be horrendous in 10 or 15 years. One of the implications of this, which seems to have escaped the Hon. Mr Davis, is that the current pension scheme that exists in this country is in fact a cost to small business because businesses in Australia are helping to pay the tax burden which rests upon all of us in meeting pension payments that exist under current arrangements. To suggest that this is a new cost burden is not really a fair thing to say, as we are all paying for it currently. It is important that we start to move towards a different scheme for supporting people in their retirement years, or Australia will be in a much more difficult situation than our current one.

A suggestion has been made by the Federal Treasurer that there would be some sort of scheme or strategy to assist businesses in meeting the cost of superannuation payments as required under decisions made in the Federal budget yesterday. Like everyone else, I will be interested to learn more about the details of such a strategy. It would be foolish of anyone to suggest that State Ministers would be in a position to answer all questions about the structure and strategies to be put in place for measures taken in a Federal budget. Many of these questions cannot be answered by looking at budget papers because not everything can be included in budget papers or speeches. It always takes some weeks, following the bringing down of a Federal budget, for details of programs to be clarified. I am sure that one of the issues to be taken up by State Governments and business organisations in Australia will be the question of how the increase in the cost structure can be accommodated for businesses. It may well be that there will be some proposal for the superannuation scheme to be factored into wage payment outcomes.

I do not know what arrangement the Federal Government will have in mind, but I am sure that business organisations will ask those questions and that the Federal Government will have the answers. Generally, any thinking person in Australia would support the directions that are being pur-

sued by the Federal Government with respect to superannuation provisions for Australian workers.

FISHERIES DEPARTMENT

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Fisheries, a question in relation to conflict of interest in the Fisheries Department.

Leave granted.

The Hon. M.J. ELLIOTT: Many cases of inappropriate behaviour in the Fisheries Department are brought to my attention—more than in any other department. Today, I raise one of those examples, in support of which I have been given a lot of documentation. I intend not to mention the names of the individuals concerned, but to give the details of the case, which relates to an aquaculture lease in the Port Lincoln area. If I read from some correspondence, of which I have some copies, the situation will be fairly well explained. The first letter that I quote is to the Director of Fisheries in March 1988, written by a researcher in the Department of Fisheries. He requested that this letter be passed on to the Minister of Fisheries.

He said that the purpose of the letter 'is to notify you, as Director of Fisheries, and the Minister of Fisheries, the Hon. Kym Mayes MP, that it is an intention of my wife . . . to become a partner in an aquaculture venture'. He goes on:

As it is not my intention to become a financial partner or a partner in any other arrangement, I therefore do not fall within the scope of section 27 of the Fisheries Act 1982 . . .

I notify the Department and the Minister out of courtesy and I am a willing party to any further inquiries that you and the Minister may request. Further information may be obtained from File or by contacting my wife or myself on (phone number).

It is planned to employ a technical manager (and others) who would be responsible for the fish farming operations and act as a spokesperson for the company.

Initially, it can be expected that I will be called upon unofficially to provide advice to my wife and her partners in aspects related to:

The design and set up of technical operations and employment of personnel; and

Planning and selection of contracts in conjunction with solicitors and business advisers.

I may also be called upon to act as a spokesperson for the company.

He goes on to say that the business address is his wife's home. He talks about his background and says:

My 'hobby' interest in aquaculture is of secondary significance . . . my main interest will always be associated with prawn population biology and fishery management especially that . . .

He also notes that his interest in aquaculture spans 20 years. He says:

The interest was largely enhanced by having the opportunity to represent the Department of Fisheries with Mr Lewis in the appraisal of aquaculture methods and developments in Japan and China. Funding for this trip was generously provided by the South Australian Government, for which I will always be grateful.

In a letter to a person who was interested in becoming involved, he describes the lease application in which his wife was now involved, and gives some outline of that. He stresses:

My current involvement could be considered as a conflict of the interest in relation to my present position within the department. However, I request that a high level of professional integrity and respect for confidentiality be maintained.

In other words, 'Don't tell anyone else much of what I am telling you.' In another letter written to other partners within the venture, he says:

I am particularly concerned about the scale fishermen's and Kinhill's objections (to the lease) and what course they may take in the matter. It is noted that one could:

- (1) Object to the lease on grounds relating to conflict of land use . . .
- (2) Challenge the viability of the operations . . .
- (3) Discredit the operation based on points mentioned in (2) . . .
- (4) Claim that I have a conflict of interest in relation to my present employment with the Government . . .
- (5) Attempts to embarrass us in terms of our financial status . . .

The correspondence is far too lengthy to read in. It shows that this person recognises the potential conflict of interest and has made plain to others that they should not mention his involvement wherever possible. I am also told reliably that this person on a number of occasions supplied Department of Fisheries equipment for use in the lease area. I can provide the Minister with names and copies of correspondence if they are wanted.

Is the Minister aware of that initial letter that was written to the head of the department? Is the present Minister also aware of that situation? Does the Minister accept that that fisheries officer is in a position to benefit from his position within the department and that he is in a position of advantage over other South Australians who may have been interested in being involved in similar ventures? If so, does the Minister consider that it is appropriate for a Fisheries Department officer to be in such a position? Will the Minister comment on the use of Fisheries Department equipment for a private venture?

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

GOVERNMENT MEDICAL CHARGES

The Hon. R.J. RITSON: I seek leave to make an explanation before asking the Minister representing the Minister of Health a question about State Government medical charges.

Leave granted.

The Hon. R.J. RITSON: The State Government provides medical services, many of which are of the nature of general practice, both from the casualty departments of the major metropolitan hospitals and from other health centres such as the Noarlunga clinic, which was a clinic for dispensing general practitioner services, first, from a purpose-built premises, and latterly from the new Noarlunga hospital.

The cost of those services is stated by the Government in papers recently tabled in this Council to be \$146 per attendance at the casualty departments of our teaching hospitals and for attendances on a medical officer, and other, at perhaps the lowest level of health centre to be \$52. The Government went to pains to make the point that this was not to rip off SGIC and WorkCover, but was the full cost recovery, and I emphasise that the Government has stated these figures to be the full cost recovery. The services have been generally offered from casualty and outpatient departments of metropolitan hospitals for nothing, and from the Noarlunga clinic for nothing, the Noarlunga clinic partly recouping a small fraction of the cost by bulk billing. With the changes in the Federal budget at least a \$3.50 co-payment, and probably more, will inevitably be required from private general practice and some clinics.

Will the Noarlunga clinic continue to dispense its general practitioner services apparently free, and consequentially run at a greater loss, requiring greater subsidy from the Health Commission? Will the Government introduce some cost recovery co-payment from its public hospitals, or does

it want to be overrun by patients referred to casualty by private practice because they have no money? Does the Government feel the necessity to defend itself against a transfer of patients from private practice to public casualty, as it did with pharmacy costs by introducing pharmacy charges to public sector patients?

Will the Government introduce co-payment charges in those two areas of Government medical practice to defend against a transfer of patients from private to public, as it did when pharmacy charges were introduced? Will the Minister answer the question within 24 hours, as he must have had weeks and weeks to discuss the consequences of these changes with his Federal colleagues?

The Hon. BARBARA WIESE: I will refer the honourable member's question to my colleague in another place, but I cannot guarantee that I will have a reply for him in 24 hours.

HILLCREST HOSPITAL

The Hon. BERNICE PFITZNER: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Health, a question on the subject of Hillcrest Hospital.

Leave granted.

The Hon. BERNICE PFITZNER: It is known that Hillcrest Hospital is due to be closed by the Government. It is also well known that Hillcrest is one of the best psychiatric hospitals in this State, if not in the whole nation. The experts tell us that the trend to move mentally disabled people from a hospital base to a community base is the best way to go. It is reported that the relocation of the 120 beds will free up \$11 million in recurrent fees. The selling of the land will generate \$3 million to \$5 million. The relevant unions are against these proposed closures. Those unions are: the Australian Nursing Federation; the Federation of Miscellaneous Workers Union; the South Australian Salaried Medical Officers Association; and the Public Service Association.

Through the South Australian Health Commission the Government has stated that the new community mental health service will cost \$6.5 million. The South Australian Salaried Medical Officers Association has checked the figures again and reports that it will cost closer to \$12.8 million. The South Australian Health Commission has recruited Price Waterhouse to check the figures again, and they cost it at \$6.98 million. The South Australian Salaried Medical Officers report that this latest figure is flawed, as it over-estimates the savings to be made from the current Hillcrest budget and under-estimates the cost of providing good quality comprehensive care.

Two meetings have been held at Hillcrest to discuss the closure, the first attended by more than 400 people and the second attended by over 100 people. We have also had over 3 000 signatures on a petition presented today, protesting at the closure of Hillcrest Hospital. In view of all these financial uncertainties and community concerns, my questions are:

1. Why is the State in such haste to close Hillcrest?
2. Why do the staff, patients and community appear not to have been consulted and, if they have been consulted, will their views be taken into account?
3. What is the time line for the closure of Hillcrest?
4. What planning and infrastructure have been put in place in other hospitals, for example, Glenside and Lyell McEwin, and in the community to receive the relocation of all the services provided by Hillcrest?

5. As some members of the previous hospital board were made aware of the proposed closure only through the media, will this new hospital board be fully involved in all the steps to be taken for the closure?

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

REMM MYER DEVELOPMENT

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Attorney-General a question about the Government's involvement in the Remm Myer project.

Leave granted.

The Hon. J.F. STEFANI: On 1 August 1991 in an article that appeared on the front page of the *Advertiser* under the heading 'SA Inc. does not exist', the Premier, Mr Bannon, was quoted as saying that he was pleased when it had been decided that the Remm project was commercially justifiable. On numerous occasions during industrial disputes the Bannon Government has consistently stated that it could not get involved in the disputes involving this project. My questions to the Attorney-General are: did the Government, any Government Minister or, for that matter, any senior Government officer, become involved in any matter during the construction phase of the project, and what was the nature of the involvement?

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

FINNISS SPRINGS PASTORAL PROPERTY

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister representing the Minister of Lands a question on the sale of Finnis Springs pastoral property.

Leave granted.

The Hon. PETER DUNN: An advertisement has appeared in the rural papers since 21 May, advertising the fact that the Finnis Springs pastoral company was to sell its property, which is west of Marree. A number of people were interested in purchasing the property and visited the area at a cost to the agents. Also, some outstanding sums of money were owed, for instance, to the Dog Fence Board, and those moneys would have had to be paid in the course of time. However, the property, the sale of which was to have taken place this Friday, will be advertised in tomorrow's *Gazette* as having been resumed by the Government, one day prior to the sale. I have here a letter from the Minister to the Secretary of Finnis Springs Pastoral Proprietary Limited, explaining just that. Referring to the station, the Minister states:

It will then be my intention to lease the land back to an incorporated body representing the shareholders who wish to retain the land for cultural reasons and to arrange for it to be managed via a joint arrangement between the National Parks and Wildlife Service and the traditional owners.

The letter also explains that the resumption will not take place until 20 February 1992. Why will the resumption not take effect until 1992? Who are the shareholders referred to, and will all the present shareholders be part of the incorporated body retaining Finnis Springs after 20 February 1992? Will the present agents be given the opportunity to carry out the transfer and be compensated for the work performed to date? If so, when will they be compensated?

Finally, will the outstanding moneys owed to the Dog Fence Board be made good and, if so, when?

The Hon. ANNE LEVY: As I understand it, a somewhat similar question was asked of the Minister of Lands in another place only yesterday, and she spoke very proudly of the achievements with regard to this pastoral lease—achievements in terms of bringing the land under the National Parks and Wildlife Service and, at the same time, resolving satisfactorily a problem that had existed for some time. However, there may well be aspects of the question that the honourable member has asked today which were not covered in yesterday's response, so I will refer the question to my colleague in another place and bring back a reply.

ART GALLERY

The Hon. DIANA LAIDLAW: I move:

That this Council—

1. recognises that the extensions to the Art Gallery of South Australia, as endorsed by the Public Works Standing Committee on 15 August 1991, are essential for the future promotion of the gallery's collection and of South Australia as the premier arts State, are important for the growth of cultural tourism in the State and represent a sound long-term investment; and

2. deplores the fact that commencement of work on stage 1 has been deferred for two years due to the Bannon Government's financial mismanagement and the Premier's stubborn insistence that the project be a Government initiative, involving no investment contribution by the corporate or private sector.

I move this motion with a great deal of sadness and, I admit, even with some bitterness, for it is clear that the Art Gallery of South Australia is a hapless victim of the financial incompetence and maladministration of the Premier and Treasurer, Mr Bannon, and his Labor colleagues. It is decisions like the one last week to put this \$15 million stage 1 extensions to the Art Gallery on hold for some two years, that really brings home to South Australians the magnitude of the financial problems that beset the State.

It is a fact that stage 1 of the gallery could have been built four times over for the same amount of money—\$60 million—which this Government has written off on the Scrimber project in the South-East. For the same \$60 million all stages of the Art Gallery extensions (1, 2, 3 and 4) could have been constructed, together with the third and final stage of the South Australian Museum redevelopment project, the second storey of the State Library, plus the revitalisation of North Terrace as a cultural boulevard of international standard. Indeed, for the \$1 billion ploughed into the State Bank the Art Gallery expansion could have been built 67 times over.

The Government's decision to defer the stage 1 extensions is a State and national disgrace. It is a tragedy. Over the past 15 years there has been a growing realisation in South Australia that the gallery is in urgent need of extensions. During the last State election campaign, in November 1989, both the Liberal Party and the ALP promised to build the extensions, and I suspect it was one—and perhaps the only one—of the commitments that had bipartisan support from the two major Parties.

A public meeting of 500 ardent supporters of the gallery on 18 July pleaded for work on stage 1 of the extensions to begin immediately. Then on 15 August the Public Works Standing Committee of this Parliament, following an exhaustive study of the project, agreed unanimously that the work commence, with completion set for November 1993. This groundswell of support has now come to an

abrupt end. Cabinet's decision to defer the commencement date for stage 1 amounts to a pathetic, indecisive two bob each way job—a yes but a no. Heaven only knows if and when stages 2, 3 and 4 will ever be built.

Perhaps I could be accused of being a political cynic, but I find it interesting that, out of the blue, the Bannon Cabinet has plucked the figure of two years as the period for which this important stage 1 initiative is to be deferred. Two years, of course, conveniently brings us up to the date of the next scheduled State election. I doubt, however, that the current Minister for the Arts and Cultural Heritage will be present, or invited, for that matter, to turn the first sod of dirt in two years time. While I am not usually a betting girl, I am prepared to bet London to a brick that the restless Labor backbench will not accept the Minister in her current position for much longer. And, if they do not get in first, I suspect that mounting pressure from the disillusioned arts community in South Australia will have forced Premier Bannon to get rid of the Minister before the two years have passed.

An honourable member interjecting:

The Hon. DIANA LAIDLAW: Well, it does not do your Party much good to have the Minister in this job, I can tell you. You may be proud.

The Hon. Carolyn Pickles: We are very proud of our Minister.

The Hon. DIANA LAIDLAW: The honourable member might be proud but the Minister is not walking tall in the arts community. The extensions to the gallery are essential for the promotion of the gallery's collection. The collection, which is particularly strong in South Australian art and contemporary Aboriginal art, is of international significance and is the second largest in Australia. But, most of the collection cannot be viewed at present because of severe space restrictions. It remains locked up in storage in Unley. This, too, is a disgrace. It is also illogical at a time when the Government knows that cultural experiences are booming in popularity as tourist attractions.

The gallery has enormous potential, given the means to underwrite the reputation of South Australia as a cultural destination—and as the premier State for the arts in Australia. Today, cultural tourism is acknowledged as a major and growing element in the appeal of destinations for tourists, and it is forecast that tourism will be the single largest employer in the world by the year 2000. A recent survey by the Australia Council, the nation's peak arts funding body, confirmed an increase in the number of international travellers participating in some form of cultural activity while in Australia. The survey identified that 216 000, or 33 per cent of all international visitors who arrive between October and December 1990, visited a museum or art gallery. The Art Gallery of South Australia's own recent visitor survey reinforces this figure. The same survey indicated that 33 per cent of Australian visitors to the gallery were from interstate.

A further survey last year by the Australia Council is of particular interest in terms of the gallery's extensive collection of contemporary Aboriginal art. The survey confirmed that Aboriginal arts are a significant drawcard for international visitors. In 1989, half of the two million visitors to Australia expressed an interest in learning about Aboriginal art and culture, while 70 per cent of the 600 000 international visitors who went to our museums and galleries nominated Aboriginal art as one of the prime reasons for going. Also, it appears that 30 per cent of visitors want to purchase Aboriginal art or items related to Aboriginal culture and that they spend about \$30 million per annum doing so.

I am pleased that the Minister of Tourism is present—she would well know that the South Australian Tourism Plan 1991-93 focused on the importance of cultural tourism, noting that a discerning society is emerging that has a high level of cultural awareness and interest, people who wish to build a holiday around cultural pursuits. I note also that last year, in a joint initiative between Tourism South Australia and the then Department for the Arts, \$40 000 was allocated to promote and market the development of North Terrace as a true cultural boulevard and one of South Australia's premier attractions.

A further project funded last year by Tourism South Australia resulted in the publication of 'Adelaide's North Terrace, A Vision of Economic and Cultural Excellence' and forecast that \$25 to \$30 million per annum could be generated in new income for North Terrace if innovative thinking and commitment were applied to the revitalisation of the terrace. Also, next year Adelaide is to be the host city for a national conference on cultural tourism. In the meantime, the Government is spending a million dollars on an excellent major promotional campaign, featuring the Rotunda in Elder Park as a symbol of Adelaide's quality of life, cultural heritage, grace and elegance. It can be anticipated that the people who are attracted to Adelaide by this campaign will be keen to visit the Art Gallery as one of their ports of call.

I anticipate, however, that all these campaigns, forecasts and visions will remain largely unfulfilled if our cultural institutions along North Terrace are allowed to deteriorate to a third rate status. It is essential in terms of fulfilling expectations that the Government's rhetoric about the State's arts product, and about our flagships in particular, is matched by an equal commitment to revitalise and maintain our cultural flagships at a national and/or international standard.

Cultural flagships such as the Art Gallery of South Australia are a very powerful symbolic indicator of a community's health, character and dynamism. This fact seems to have been well understood by most other States in Australia, and certainly by the States in Australia with which South Australia is competing for visitors numbers, quality of life standards and employment opportunities. In recent years most State, national and territory art museums or art galleries have enjoyed splendid new extensions and/or rebuilding programs. The poor cousin is the Art Gallery of South Australia, which is not only small in physical size and staff numbers but also lacks accommodation and facilities when compared with art museums or art galleries elsewhere in Australia, perhaps the Art Gallery in Hobart is less well equipped than Adelaide's, although it did receive a major upgrade of its heritage building in 1988.

It is also important to note that, following each extension interstate, the respective State art galleries enjoyed a dramatic increase in the number of visitors. I seek leave to have inserted in *Hansard* without my reading it a statistical chart indicating attendance figures before and after extensions and rebuilding of State art galleries in Australia.

Leave granted.

Attendance figures before and after extensions and rebuilding of State Art Galleries in Australia

Art Gallery of New South Wales	Year	No. Visitors
Before extensions	1987	654 000
After extensions	1989	1 135 000
	1990	1 400 000

(These were the second extensions to the Art Gallery of New South Wales in about 15 years. Statistics before and after the 1972 extensions are not available; however, the number of visitors in the late 1960s was about 80 000 rising to 300 000 in 1973, the first full year of operations.)

Attendance figures before and after extensions and rebuilding of State Art Galleries in Australia		
Queensland Art Gallery		
Before rebuilding	1981	46 000
After opening of new building	1982	888 000
	1990	344 000
Art Gallery of Western Australia		
Before rebuilding	1978	111 000
After opening of new building	1980	230 000
	1990	243 000
Art Gallery of South Australia		
Before rebuilding	1990	269 679
Projected figure	1993	250 000
Projected figure after extensions	1994	600 000

The Hon. DIANA LAIDLAW: The table identifies that, following extensions to the Art Gallery of New South Wales, attendances increased from 654 000 in 1987 to 1.4 million in 1990. The table also identifies that attendance figures in South Australia would leap from 269 000 in 1990 to a projected 600 000 after extensions were completed in 1994. Of course, this date has now been extended out to 1996 at the earliest. The table does not refer to the new Contemporary Art Museum in Sydney, which was completed a couple of months ago following major renovations to the Old Maritime Office Building adjacent to the Rocks and Sydney Harbor bridge area.

Next month that gallery is to exhibit the masterpieces from the Guggenheim Gallery in New York. It is the most important contemporary art exhibition ever to come to Australia, featuring 111 magnificent works by Matisse, Cezanne, Picasso, Kandinsky, Braque, Dali, and others. The exhibition is valued at \$1 billion, and is expected to draw 400 000 visitors over a four-month period. People are expected to come from all over Australia and New Zealand, and I certainly look forward to being one of those visitors. Sadly, Adelaide cannot host such blockbuster exhibitions because our State Art Gallery is not equipped to cope and, as a consequence, South Australians generally are missing out on the opportunity to experience, enjoy and learn from these visual treasures, while our business sector is missing out on desperately needed dollars.

The press release, issued by the Hon. Ms Levy on 15 August advising that the work on the long overdue extensions to the Art Gallery would now not commence until 1993-94, states:

Given the current economic climate, we will unfortunately have to defer this project.

I readily concede that the current economic climate in South Australia is in the doldrums; that it is depressed. However, I share the sentiments expressed by Mr N.R. Adler, Managing Director of Santos and a member of the Art Gallery Board. At the conclusion of his statement to the public meeting at the gallery on 18 July, Mr Adler said:

I would like to think that I speak on behalf of all the corporate sector in South Australia when I say that, at a time of recession and gloom, there is a need by Government for policies and initiatives which create confidence and which make an investment in our future quality of life.

Mr Adler continued:

I can think of few more powerful statements of confidence which this State could make at this time than to proceed with the Art Gallery extensions.

I totally endorse Mr Adler's sentiments. Essentially, Mr Adler is calling for the Premier, Mr Bannon, to exercise the flair, the vision and the light which the Premier promised South Australians following his narrow, ill-gotten victory at the State election in 1989. Rather than flair, vision or light, we now have a near bankrupt State and a no/yes, stop/start fate for stage 1 of the Art Gallery extensions, and still no indication at all if and when stages 2, 3 and 4 of the extensions will ever get the green light.

The extensions to stage 1 are not only important for the arts, for tourism, and for business and quality of life considerations in South Australia. The building work associated with the extensions would generate about 350 urgently needed jobs in South Australia, and have a spending impact of about \$30 million. The submission by the Master Builders Association of South Australia Inc. to the Parliamentary Standing Committee on Public Works notes:

The investment expenditure of \$15 million will provide employment in a sector which is now experiencing high rates of unemployment. Employment would be about 175 jobs directly and about 175 jobs in related sectors. The multiplied impact of the expenditure could be about twice, or \$30 million. In an unemployed community these employment and spending effects are increased. In addition, in an unemployed economy, the community does not lose the production of otherwise employed resources. For example, if 10 per cent of the expenditures on the Art Gallery are used to employ otherwise unemployed labour or equipment, then the opportunity cost is only 90 per cent of \$15 million or \$13.5 million.

The motion that I have moved today deplores the fact that the Bannon Government's financial mismanagement has led to the deferment of work on the extensions to the Art Gallery. The motion also deplores the fact that the Premier has placed a black ban on any private sector investment in the project, insisting that the extensions can go ahead only on the condition that the project is a Government initiative, fully funded by taxpayers. I refer to evidence by the Chairman of the Art Gallery, Mrs Heather Bonnin, to the Public Works Standing Committee. On page 79 of the evidence, in response to a question from the Hon. Ted Chapman, Mrs Bonnin said:

I can refer to the original meeting which the former Director [Mr Daniel Thomas] and I had with the Premier, when the Premier invited the Director and me to Parliament House and told us that he wanted to do something for the Art Gallery, that it was to be done quickly—

that is ironic, considering the deferment announced last week—

that it was to be exhibition space, and that we were to set about it.

The Hon. Ted Chapman asked when that was, in reply to which Mrs Bonnin said:

May I check on that? I can get muddled about years. At that time, I asked him whether he saw a role for private enterprise possibly to contribute to that, and he told me that he did not wish this exercise to involve private enterprise. He wanted this to be a Government initiative.

Further on Mrs Bonnin said:

I can tell you now that the Premier's original initiative was for a public programs and temporary exhibition facility for the gallery. It was in the light of further investigation that the logic of looking at the gallery's overall needs was identified and we asked leave to develop the whole needs in a complete way.

That refers to the board's decision to develop a project in four stages. Mrs Bonnin continues, in relation to the Premier:

He was certainly willing for future developments to be undertaken with the assistance of private enterprise or any other sources that we can identify. In other words, I understand that the Premier is happy for us to seek funding from other sources at a later date but this initial stage we saw as a Government initiative.

It is rather hypocritical, I would suggest, that the Premier is prepared to seek private enterprise and corporate support for stages 2, 3 and 4 and not for stage 1, and yet the Premier has now deferred stage 1 because he is not prepared to accept the same private sector support that he is prepared to accept for further stages.

This condition—and perhaps in the union movement it is rightly called a black ban—is now denying people jobs. It is the condition that cannot be justified or sustained, particularly when one recalls the plea by Mr Bannon on 24 May this year for the establishment of a joint Common-

wealth-State task force to examine a national infrastructure program. At that time Mr Bannon said:

There is a lot of cash in private sector investment funds and there is likely to be more as superannuation schemes are developed in the next decade. Through offering the right incentives and the promise of the right return that money could be channelled into infrastructure schemes. The schemes will begin to repair the damage done by the recession in areas where the recovery will not occur for some years.

In that sense the Premier was referring to the building and construction industries. I agree with Mr Bannon's assessment that opportunities are available now, given the right incentives, for private sector investment in infrastructure projects.

Also, I believe that the Premier could and should now practise what he preached last May, that he should put his theories to test in respect of the Art Gallery extensions. As a first step, he should lift his blanket ban on private sector investment in stage 1 of the project. He should also take note of initiatives being pursued interstate and overseas in terms of private sector involvement in capital works/arts projects. I am not sure whether other members have seen the National Gallery extensions in London. I have not, but friends and family members have.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Yes, and I was very pleased that he had time to attend a number of arts performances while overseas, because it reinforces my Leader's commitment to the arts in this State. In London the acclaimed extensions to the National Gallery were funded by the Sainsbury Group of Companies. In June this year the Victorian Government announced that it would seek at least \$60 million from the private sector—more than half of the construction costs of the first stage—to help build the State Museum on the South Bank of the Yarra.

The Victorian Government, like the New South Wales Government, has issued infrastructure investment guidelines for joint funded and managed Government and private sector projects. The South Bank Museum is the first Victorian project to be released to the private sector since the release of the guidelines in May. The Victorian Government has acknowledged that without private sector investment the project could not go ahead.

In South Australia the Art Gallery extensions cannot go ahead because Mr Bannon has mismanaged taxpayers' funds and he now refuses to contemplate any investment in the project by the private or corporate sector. I believe most earnestly that if Mr Bannon relaxed his blinkered black ban on private sector involvement the extensions to the gallery need not be deferred. At the very least I plead with Mr

Bannon and say that it is worth a try. Sadly at the moment the Bannon Government is not prepared to even try to stimulate private or corporate investment interest. The relationship between the Government and private or corporate funding for the arts is a delicate and difficult issue. It is a fine balancing act based on perceptions of Government support. The former Chairman of the Australian Art Gallery, Mr Gough Whitlam, himself a former Arts Minister in his own Government, summarised the nexus well when presenting the inaugural Kenneth Myer lecture in April 1990, when he stated:

Private and corporate benefactors will only be interested in financing activities in which Governments continue to be interested. They will not take over the financing of activities which Governments cease to finance.

Mr Whitlam's assessment is sound and it also provides useful background to the conclusion reached by the Public Works Standing Committee at page 33 of its report, as follows:

Options for funding the proposed extensions had been explored but there was little likelihood of funding for capital works from the private sector for stage 1 extensions.

To the Public Works Standing Committee, I say that it was little wonder that the private sector was not interested when the Government had already indicated that it was not interested in receiving private sector investment. If the Government shows, as it is now identified with the deferment of this project, that it is not interested in the immediate development of the Art Gallery, it will be difficult in the immediate future, but hopefully not in the long term, to maintain corporate and private interest in the Art Gallery.

I stress this point because it is not only in relation to what I hope will be a joint building investment program for the gallery but also in relation to acquisition policy. In recent time acquisitions by the gallery have been gained essentially through moneys or funds raised or pledged from the public and not the Government sector. Indeed, I recall correspondence with Mr Daniel Thomas, when he was Director, expressing his outrage about the relative pittance this Government gives for the acquisition of works when the Art Gallery was cut back in 1988-89 by some \$50 000. Also, I highlight agitation amongst members of the Foundation of the Art Gallery of South Australia who have recently developed a table indicating the establishment of the foundations for each gallery in each State showing the public funds raised or pledged in each instance, the Government contribution and the total sum. I seek leave to have that purely statistical table inserted in *Hansard* without my reading it.

Leave granted.

FUNDING SOURCES

Funds Raised or Pledged

Foundation	Established	Public \$	Government \$	Total \$	Established Capital Fund \$
NGV	1976	4 016 978	3 263 535	7 280 153	7 280 153
QAG	1980	3 300 000	2 000 000	5 300 000	\$2 m plus— see details
AGSA	1981	2 012 287	500 000	2 512 287	2 512 287
AGMSW	1983	6 057 000	4 000 000	10 057 000	10 057 000— some pledged
TMAG	1984	462 000	421 000	983 000	431 000
AMG	1988	4 000 000	nil	4 000 000	see details
WAAG	1990	1 000 000	500 000	1 500 000	see details

The Hon. DIANA LAIDLAW: Members will recognise from this table that, since 1981 when the Art Gallery of South Australia Foundation was established, \$2 012 287 has

been raised from the public. That sum has been supplemented by \$500 000 from the Government, making a total of \$2 512 287. The South Australian Government's contri-

bution of \$500 000 is an absolute pittance in comparison to the sum given by the State Governments to galleries in other States: the \$3 million plus given to the National Gallery of Victoria, the \$2 million plus given to the Queensland Art Gallery and the \$4 million plus given to the Art Gallery in New South Wales.

I point out that there is a limit to the generosity upon which the Government can rely in terms of private sector contributions when there is not an equal matching commitment from the Government. That brings me back to the reflections by former Prime Minister Whitlam that the Government has to show a commitment to the gallery if the private and corporate sector are to be equally prepared to show and continue to maintain a commitment to the gallery. The two work hand in hand and I have a real and genuine fear, after speaking with a number of people closely associated with the gallery, that there is a danger with the Government's decision to defer this project that we will see a lack and a loss of interest in gallery activities. This is very sad at a time when the Art Gallery Foundation has just launched a new five-year project for raising funds for the gallery. I think it will find some difficulty reaching its target and this fact was reflected on by Mr E.W. Schroder, Deputy Chairman of the Art Gallery of South Australia Foundation, when he addressed the public meeting on 18 July.

He said at that time, 'Success breeds success.' If the Government had shown that it wished the gallery to be a success by approving at this time the extensions to stage 1, either as a sole project by the Government or as a joint project with the private sector, the gallery could have experienced an exciting revitalisation and rebirth, as the galleries interstate have experienced since their extensions and rebuilding projects were completed.

The extensions to the Art Gallery are most important to the voluntary efforts of many people in South Australia in the tourism industry, not only those who are seeking to make North Terrace a focus of cultural tourism in Adelaide and South Australia but those in many other tourism enterprises across the State. They want to see a Government commitment to success in this State. Suite extensions to the Art Gallery were a Government commitment at the last election, which the Government has now been prepared to wipe aside; this is a source of great disappointment to many people in this State. The decision by the Government is deplorable, for the reasons that I have outlined, and I trust that this motion will receive the support of members in this place.

The Hon. ANNE LEVY (Minister for the Arts and Cultural Heritage): I move:

To leave out paragraph 2 of the motion and also the word 'and' at the end of paragraph 1.

I join with the honourable member in supporting the first part of her motion. I recognise, as does the Government, that the extensions to the Art Gallery of South Australia are essential to the future promotion of the gallery's collection and of South Australia as the premier arts State.

I agree, as does the Government, that the extensions are important to the growth of cultural tourism in this State and are also a sound long-term investment. We are all proud of our Art Gallery of South Australia, which has a wonderful collection. It is world renowned for its collection of Australian art, both colonial and contemporary. Careful and brilliant acquisitions have resulted in a superb and representative collection of European landscape art. Our curators recognised the importance of contemporary Aboriginal art long before other Australian galleries did, and we have an out-

standing collection in this area, too, of particular interest to visitors to this city.

The gallery has a marvellous collection, admittedly small, of Asian art, with probably the best collection of Thai pottery anywhere outside Thailand. Our gallery has benefited from generous and enthusiastic patrons and private collectors. We all owe a great debt of gratitude to those who contribute so much to the collections, both in fundraising for important acquisitions when they become available and to those who donate from their splendid collections to the public of South Australia. In the past few years, the South Australian Art Gallery has acquired several outstanding works, thanks to the generosity of members of the Foundation. I refer to Claude Lorrain's 'Caprice with ruins of the Roman Empire'. Salvator Rosa's 'Scene from Greek history: Thales causing the river to flow on both sides of the Lydian army' and 'Scene from Greek history: the deaf-mute son of King Croesus prevents the Persians from killing his father', and the first ever Australian oil painting, John Lewin's 'Fish Catch and Dawes Point'. These jewels could never have been acquired without the assistance of private and corporate sponsorship, Mr President, and I pay a tribute to the outstanding generosity and true citizenship of those who made it possible.

However, our gallery is too small. It is not the first time this has been said. It is less than half the size of all other mainland galleries in the country. We cannot show more than a small fraction of the total collection at any one time. We miss out on touring exhibitions because we do not have the space to show them; in recent years we have been able to exhibit only two of 24 travelling exhibitions from the National Gallery in Canberra, and 30 out of 38 splendid international exhibitions have had to pass us by for lack of space to show them.

There would not be one person in this Council who would disagree with the sentiments expressed in the first part of this motion. Mr President, and the Government wholeheartedly supports the extensions to the gallery as being necessary and essential. That is why we have already spent \$1.223 million on developing the plans, employing Arthur Anderson, the top architects, who so successfully developed the recent extensions to the New South Wales Art Gallery. We are committed to the development of the arts in this State. One need only look forward to March 1992 to realise the contribution this State Government makes to the arts.

The 1992 Adelaide Festival is receiving \$2.2 million from the Government. This is an increase of \$736 000—or 50 per cent up on the 1990 Festival. This surely is concrete evidence of our real support for the arts in South Australia. The 1990 Festival made an economic impact of more than \$12 million to this State's economy. Our festival is of world renown and, indeed envied throughout Australia, as the honourable member would know. During the Festival next year, the Festival Awards for Literature will be presented. These six awards are worth a total of \$96 000, and yes, Mr President, these are another arts initiative of this Government.

During February and March next year, the honourable member may even find herself attending events at the new Living Arts Centre on North Terrace. This \$8.5 million project will house a bigger Jam Factory, the Media Resource Centre, Doppio Teatro, Experimental Art Foundation, Multicultural Arts Workers Centre, and of course the Lion Theatre, all of which will no doubt hold many events during those three weeks of the Fringe. This centre is another proud arts initiative of this Government.

There is no doubt that this Government has a commitment to the arts. We recognise and value the contribution

the arts make to our economy and to cultural tourism. The deferral of plans for the extension of the Art Gallery is disappointing, but no-one can seriously question our commitment to the arts in this State. There is no question that we will go ahead with these extensions as we promised before the last election.

They will begin in two years and be completed for the 1996 festival. The only uncertainty lay in the timing of this project. It should be no surprise to anyone, even the Hon. Ms Laidlaw, that the country, indeed most of the Western world, is facing tough economic times.

The Public Works Standing Committee approved this project, and I welcome its support, but even it recognised that in such times as these there are important and competing priorities for the public purse. The committee's report mentioned, in particular, the need for rural assistance, support for small business, unemployment programs, and capital works infrastructure for education, health and public housing. The PWSC report also mentioned at page 43 that:

Arguments from eminent citizens that priority be given to extensions to the Art Gallery because of cultural and economic benefits were not supported by the majority of members of the Public Works Standing Committee.

I do not have to remind the Council that the Opposition is represented on the Public Works Standing Committee, so this view on priorities may be held by at least some Opposition members on that committee. I can assure the honourable member that no-one was more disappointed than I when this deferral was found necessary, but it was a decision that had to be made. We have made a difficult decision, and I make no apology for it. I have said before, and I will say it again: the extensions will be completed in time for the 1996 festival.

I oppose the second part of this motion, so have moved my amendment. Part 2 mentions:

The Premier's stubborn insistence that the project be a Government initiative, involving no investment contribution by the corporate or private sector.

This raises a very interesting perspective on this whole issue. At no point in this whole debate, in any of the points made by Opposition members, did they commit themselves to going ahead with this project had they been in Government now. I refer to the Opposition Leader's statement, which he put out—

The Hon. Diana Laidlaw: Your speech was written before you heard what I had to say.

The Hon. ANNE LEVY: Through you, Mr President, I point out to the honourable member that I made one small comment only during the entire course of the honourable member's speech and that comment was not a critical one. I made the point that her Leader had visited the extensions to the Art Gallery in London. I ask that she similarly refrain and manage to control herself sufficiently to let me speak without interjection.

The PRESIDENT: I believe that honourable members should extend courtesy to one another and hear each other in silence.

The Hon. ANNE LEVY: I will refer to the statement by the Leader of the Opposition which was reported under the heading 'Baker canvasses corporate involvement in Art Gallery' and in which he is asking the corporate community to sponsor the extension in an effort to get the project under way as soon as possible.

In fact, this call to the corporate community seems to me to indicate that a Liberal Government would have put the hard word on the business sector, with the threat that, if that sector did not cough up, the whole project would be cancelled—not just delayed, but cancelled entirely. Here we have the Opposition already flagging its policy regarding

extensions to the Art Gallery or any of our cultural institutions. It is saying to the public of South Australia that in Government it would not go ahead with arts capital projects unless the private sector kicked in. So, while we have been criticised by it for deferring these extensions, the Opposition cannot even bring itself to be committed to the whole project in the first place without private involvement.

The Hon. J.F. Stefani: We know that the State is broke, that is why.

The PRESIDENT: Order!

The Hon. ANNE LEVY: While I am on this matter, may I take this opportunity to correct some misapprehensions obviously held by the Opposition regarding this history of private sector sponsorship and the Art Gallery. The Opposition Leader told the media and the arts community that 'earlier this century the Art Gallery of South Australia reaped the benefits of private funding with both the Elder and Melrose wings'. The Opposition is assuming the Elder Wing was built with funds bequeathed by Sir Thomas Elder, the famous pastoralist and philanthropist who died in 1897. This is not so.

The Hon. J.F. Stefani: Are you saying that nobody gave any money?

The Hon. ANNE LEVY: Why don't you listen instead of interjecting?

The PRESIDENT: Order!

The Hon. ANNE LEVY: The Elder Wing, completed in 1900, and the oldest portion of the present building, was named in honour of Sir Thomas Elder, who had bequeathed £25,000 'to be spent on the purchase of pictures only'. The building, named the Elder Wing, was built from State money.

With regard to the Melrose Wing, which was completed in 1937, Mr Alexander Melrose did in fact give £10,000 towards the construction, but this was only 50 per cent of the total cost of the extension. Perhaps the honourable member could alert her Leader to these facts.

We are committed to these extensions, and we accept that it is the Government's responsibility to provide such an important public building. I have already acknowledged the Art Gallery Foundation and the Friends of the Art Gallery, who play such an important part in the acquisition of artworks to put inside the buildings, but they, and we, believe that the buildings themselves are a public responsibility.

We are committed to this project, but I ask: Is the Opposition, or does it merely wish to stick out its hand to the private sector with threats of dropping the project permanently unless it comes good with the best part of \$15 million? Whatever the Opposition's official policy on this issue, it is obviously not shared by all its members. I mentioned yesterday the member for Custance. I think his comments in the *Plains Producer* of ten days ago—

The Hon. Diana Laidlaw: Had you ever heard of it before?

The Hon. ANNE LEVY: Yes, certainly; it comes from Balaklava. I read it regularly. His comments of only ten days ago are worth repeating, as follows:

They are now proposing to upgrade the State Art Gallery to the tune of \$15 million. The Liberal Party by no means objects to expenditure on the arts, but I cannot see that money for the arts on this scale is justified in the current economic climate.

He further stated:

State expenditures of this magnitude must be directed to far more essential services only. Upgrading art galleries can wait for more prosperous times.

Perhaps the Hon. Ms Laidlaw could take Mr Venning aside and explain the Liberal Party's position to him; that is, if there is one!

I turn now to the question of private sponsorship of these proposed extensions, and what the Hon. Ms Laidlaw wrongly

calls the Premier's 'stubborn insistence' that the Government should provide the resources for these extensions. She obviously has not read the report of the Public Works Standing Committee or the evidence given to that committee. If she has done so, it has been very selective reading.

The Hon. Diana Laidlaw: This speech was written for you before you heard my contribution.

The Hon. ANNE LEVY: I write my own speeches, thank you. I would like to quote from evidence given by Mr Daniel Thomas, who was Director of the Art Gallery at the time these extensions were discussed by the Chair of the board and the Premier, then Minister for the Arts. This is in evidence to the Public Works Standing Committee:

In the past two to four years, when the feasibility of, first, a branch Art Gallery on North Terrace and then the present extensions proposed were being explored, the private sector was asked, first, whether it would, in principle, assist such capital works, and then whether it would assist the particular extensions proposal now being considered. On both occasions it was made clear that the principal sources of private sector funds believed that such public works were the responsibility of Governments. It was indicated that private sector funds would, on the other hand, be available to assist exhibition and education projects.

That is from Mr Daniel Thomas. Now, I would like to quote from the report of the Public Works Standing Committee itself on pages 32 and 33, as follows:

At the private hearing on 22 May 1991 the Chairman of the board advised that discussions had been held regarding the funding of stage 1 and that the board had been advised that stage 1 would be a Government initiative. The committee was advised that the Art Gallery Foundation and the Art Gallery Board had pursued private contributions to capital works but their endeavours had been unsuccessful. It noted, however, that the private sector has donated generously to the Art Gallery's collection. Submissions received by the foundation and individual donors—I am sure that should have been 'submissions received from the foundation and individual donors'.

The Hon. Diana Laidlaw: It reads 'submissions received by'.

The Hon. ANNE LEVY: Yes, I think it must be a misprint in the Public Works Standing Committee report. I appreciate that it says 'by' there—I can read—but I think it is meant to be 'from'. The report continues:

Submissions received . . . indicated an ongoing commitment to donations for acquisitions. However, the buildings to house the collections were regarded as a responsibility of Governments.

Further on the Public Works Standing Committee states:

The committee concluded that options for funding the proposed extensions had been explored but there was no likelihood of funding for capital works from the private sector for stage 1 extensions.

So, we see that the Public Works Standing Committee was quite convinced that no private or corporate funding would be available for stage 1. I presume the Hon. Mr Dunn was as convinced of that as was the rest of the Public Works Standing Committee. There is no mention in this statement of a majority of members holding this view, nor any indication that any member of the committee disagreed with it. So, why does the Hon. Mr Dunn not tell his colleague that she is talking rubbish? He knows that no private sponsorship was available and that was—

The Hon. Diana Laidlaw interjecting:

The Hon. ANNE LEVY: It was searched for, as the evidence from Mr Thomas makes very clear, and all this was in 1988 and 1989, when money was far more likely to be growing on trees than it is now.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The honourable Minister.

The Hon. ANNE LEVY: I would like to quote from the evidence given to the Public Works Standing Committee by Mr Max Carter, a most generous donor and patron of the

Art Gallery, to whom we all owe a great debt. I quote from his evidence, as follows:

Many important gifts have been made from many private donors and companies. The value of these gifts would be in the many millions of dollars. We have acted in good faith from love of our gallery and art knowing that our gifts have helped build one of the outstanding collections in Australia. Our gifts were made thinking that the Government would provide buildings and space to properly present the collections to the public, its final owners, and sufficient exhibition space for our own and visiting exhibitions.

I may also say that the Chair of the Art Gallery Board has indicated to me that, following a meeting of her board to be held next Monday, she expects to make a statement regarding the matters raised in this Parliament today and in yesterday's *Advertiser*. She certainly has the interests of the Art Gallery at heart, and I look forward to hearing the board's comments.

It is obvious that the private and corporate sector regard stage 1 of the extensions as being the Government's responsibility. We accept that responsibility and have no intention of blackmailing our generous benefactors into contributing the \$15 million required. We will provide these long-desired extensions as recommended by the Public Works Standing Committee, beginning in 1993, and have them completed by the time of the 1996 Festival of Arts. I urge honourable members to support the amendment.

The Hon. L.H. DAVIS: I wish to indicate support for the motion. I am appalled to think that the Minister would actually believe her own rhetoric because, if ever there was a cut and dried, black and white case for support for extensions to a building of major worth to the community, of cultural importance to the State, it is the extensions to the Art Gallery of South Australia on North Terrace. The fact is that this Government is unable to proceed with the extensions because of financial mismanagement, and my colleague, the Hon. Ms Laidlaw, has made that quite clear in her contribution. I want to underline that point; whatever the Minister might say, however she might huff and puff, the facts are sadly clear, unequivocal and inescapable.

The truth is that in this financial year this Government will be paying out \$100 million, minimum, to fund the bad debts of the State Bank of South Australia. It will be through the SGIC absorbing a loss of at least \$48 million a year for rental on the building at 333 Collins Street, Melbourne, an exercise of absolute folly which saw the SGIC enter into the biggest put option in the world. That has now seen it being forced to purchase the most expensive building outside Sydney.

Not only have we seen SGIC publicly admit its folly in a carefully timed media release on that matter at 5.15 p.m. last Friday, but also, just days before the admission by the Government through the Minister of Forests that \$60 million of taxpayers' money had been blown away in a high risk, high technology timber development known as Scrimber. Earlier this year, if that was not enough, we saw \$15 million written off in trading losses because of the extraordinary Tasman adventure, namely, the purchase of the Greymouth plywood mill in the South Island of New Zealand.

The Hon. Diana Laidlaw: That \$15 million would have built the stage 1 extensions.

The PRESIDENT: Order!

The Hon. L.H. DAVIS: It is worth noting that \$15 million is exactly the cost of this project for the Art Gallery of South Australia. So, the Minister's rhetoric may be fine, but the facts are otherwise. The case for the extension to the Art Gallery is strong and persuasive. I have had the benefit of perusing the findings of the Parliamentary Standing Com-

mittee on Public Works in relation to this project. Although its members come from a variety of backgrounds, with perhaps some not as enthusiastic about matters cultural as others, nonetheless, they have been unanimous in their support for this project. The committee's report states (page 5):

Art Gallery extensions are an overdue investment in the quality of life for South Australia and will provide many general community benefits.

There will be cultural benefit in being able to receive touring exhibitions of a kind hitherto unavailable to such a small and unsafe exhibitions facility. South Australia should no longer miss out on blockbuster exhibitions on grounds of inadequate facilities. There will be further benefits through the gallery being able to originate more special exhibitions which can also be toured nationally, thus enhancing the State's cultural reputation.

The extensions development can stimulate the urban vitality of the State's capital. A dynamic and attractive city is of immense significance for cultural tourism, which is a key area for the future of the State's economy. The gallery is one of the few Adelaide all-weather, every-day-of-the-year attractions, yet it lacks full visitor services of refreshments and souvenir shopping.

Extensions will provide South Australians with far more extensive use of under-utilised State resources of international significance, namely, the collections of the Art Gallery of South Australia, currently valued at \$250 million.

I will build on that point, because the facts are all in favour of this development. Of the major Australian art museums, Adelaide has a hanging area of only 4 400 square metres. The National Gallery in Canberra has five times that space; the magnificent new Brisbane Art Gallery—which I visited recently—is four and a half times the size of Adelaide; Melbourne is seven times the size; Perth is two and a half times the size; and Sydney is more than five times the size of Adelaide. Yet, as my colleague the Hon. Miss Diana Laidlaw has rightly observed, there is no doubt that the collection of Australian paintings held by the Art Gallery of South Australia is the most comprehensive and the most exciting of all galleries in Australia.

The Hon. Anne Levy: In the world; I said that.

The Hon. L.H. DAVIS: Okay, in the world. It is also beyond dispute that, because of the small hanging space available in the Art Gallery of South Australia, a smaller percentage of our collection can be displayed at any one time. Something like only six per cent of the Art Gallery's collection can be on display at any one time. That is much lower than any other State gallery in Australia. Yet, this Government has the temerity still to insist that motorists in South Australia drive around with a number plate featuring the slogan 'Festival State'.

If there is a jewel in the cultural crown of North Terrace it is surely the Art Gallery of South Australia. To defer these extensions is an admission by this Government of its financial mismanagement. The Government at least could have been honest and, instead of passing the blame on to the poor state of the economy—which undoubtedly has contributed to some fall-off in Government revenue collections around Australia—it should have said that the problems in South Australia go far beyond the economic downturn, that South Australia, with Victoria and Western Australia, ranks as an also ran in economic management and, certainly, in economic performance in the current year.

So, the Art Gallery of South Australia will suffer, along with, I suspect, many other capital projects and other programs in the forthcoming State budget. This Government will have to cut and trim very worthy programs, whether they are of a capital nature or a recurrent nature, and innocent people will be made to suffer for the mismanagement of the Bannon Government. That is what saddens me. State taxes and charges have risen enormously already, so much so that the *Government Gazette* was running hours late because the document was of record size. We will also

undoubtedly find a horror budget on our doorstep next Thursday. So, I reject the amendments proposed by the Minister for the Arts and Cultural Heritage and I reject the rhetoric that has accompanied the Minister's very thin defence against the motion proposed by my colleague the Hon. Diana Laidlaw. I urge all members of the Council to support this most important motion.

The Hon. I. GILFILLAN secured the adjournment of the debate.

CAT BILL

The Hon. M.J. ELLIOTT obtained leave and introduced a Bill for an Act to establish the Cat Management Committee; to regulate the sale and supply of cats; to encourage the desexing of cats; and for other purposes. Read a first time.

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

That this Bill be now read a second time.

The Bill that I introduce today is identical to one first introduced in the previous session in early December last year. I find it most interesting that since the introduction of that Bill I have had letters from around Australia, from various Governments, asking for copies of it. In fact, since that time the Victorian Government has introduced a Bill that covers both cats and dogs in a similar fashion. There is no doubt that this matter does not stand in the same league as important matters such as the State Bank, the SGIC and so on. However, the matter does need addressing and it can be easily and readily addressed. For that reason, and that reason alone, I believe that we should go ahead with the measure.

The aim of the Bill is relatively simple; that is, to control the number of unwanted cats being bred and subsequently dumped to join the feral and stray cat population, or to meet their end in an animal refuge. There is no intention that the Bill should operate in a similar way to the Dog Control Act. No-one is talking about cat-catchers roaming the streets in search of illegal moggies. Cats are by nature very different from dogs so this Bill is focused on population control, not movement control as is the Dog Control Act.

I have two reasons for wanting legislative controls on cat breeding. There is my concern for the welfare of unwanted cats and my concern about the environmental damage caused by feral and stray cats. Here in South Australia, the Animal Welfare League and the RSPCA estimate that they put down 20 000 cats and kittens a year. When one combines that with the number of cats and kittens that meet their demise in a bucket of water in the backyard, or something more foul again, and with the number that live in a half-wild state and eventually die of disease, then, of course, there is a significant animal welfare problem that needs addressing.

As I have said, my second concern relates to the environmental destruction that is caused by stray and feral cats. I think we must accept that the feral cat is in Australia to stay, in the same way as is the feral rabbit and a number of other introduced species. There is no doubt, though, that the feral cat is probably the third most damaging animal species in Australia today after the rabbit and the fox. The fox is the one that is doing the most damage. South Australia has lost well over half its mammal species already, largely due to the actions of those three animals (and a number of other species are diminishing in number). Indeed, we have a significant problem, in relation not just to mam-

mals but also to reptiles, many species of which probably have not even been recognised as yet and, of course, birds.

The Petcare Information and Advisory Service, an organisation funded by pet food companies, found that there is large support among pet owners for a requirement to desex animals and, in their study, *Cat Ownership in Australia*, it states:

Because all cat owners surveyed regarded themselves as responsible owners and their particular pets as being under control, the great majority could see no problems arising personally should Government involvement in cat ownership become stronger. Similarly, non-cat owners, who have every right to believe the keeping of pet cats should not infringe on their basic rights or comfort, predictably opted in large numbers for stronger controls of pet cats.

Moves to control cat numbers through registration and desexing are being considered in Tasmania, where a petition has been published in the *Mercury* newspaper. As I already said, the Victorian Government has announced that it will introduce a system to encourage the desexing of both cats and dogs and, of course, in South Australia I am finding that there is increasing sympathy from a wide range of groups. The Feline Association of South Australia said in a letter to me in support of the Bill:

FASA is strongly in favour of regulating the supply and desexing of cats as has been demonstrated in our previous submissions to you . . . should the Bill be successfully passed, this association will take steps to tighten up membership qualifications and breeding rules and regulations in order to support the Bill.

That association recognises, quite rightly, that the legislation is not targeted at breeders, because they would have the most controlled and cared for cats in the community. Rather, it is aimed at the impulse buying of kittens and people who cannot be bothered having their cats desexed.

The experience of the RSPCA and the Animal Welfare League, which provide desexing vouchers with the kittens and puppies that they sell to the public, is that, once the service is paid for, the voucher is redeemed in the vast majority of cases. The Animal Welfare League is supportive of this Bill, saying in a letter to me:

The Animal Welfare League would encourage compulsory desexing of cats, understanding that this is probably unacceptable to some people. We would suggest, therefore, a prohibitive registration fee to deter the keeping of entire cats.

The Cat Committee, as proposed by this legislation, would have the ability to exempt from fees breeders registered with recognised breeder organisations or to set a substantially lower fee, if either of those approaches is deemed appropriate. Cats belonging to those breeders may also be exempt from being marked where they are confined and kept in runs. I see no reason why legitimate breeders would be disadvantaged under this legislation. In fact, I would expect that they would find that the market for their cats would increase. More breeders may be attracted to the organisations to take advantage of the lower registration fee and therefore be bound by the organisation's rules and regulations.

The main aims of the Bill are to require all pet cats to be either registered or desexed (the fee for registration or the price of a voucher for desexing must be paid for at the time of the purchase of a cat) to require registered and desexed cats to be marked in some way so that they can be identified one way or the other: and to establish a cat committee to oversee the legislation.

The cat committee, which will have representation from a broad spectrum of groups involved with cats, will be responsible for setting the finer details of the system. It will set the fees for registration, the value of desexing vouchers, the method of marking cats and the delegation of powers held within the Bill. It is envisaged that the registration fee

will be significantly higher than the cost of desexing to act as a financial incentive to having the operation performed.

A survey carried out by the Social Development Committee of the Victorian Parliament during its inquiry into the role and welfare of companion animals in society in 1989 found that 74.5 per cent of the respondents thought that higher registration fees should apply to owners of animals which are not desexed. Since I first announced this Bill, regulations in South Australia under the Dog Control Act have been altered such that the registration for entire dogs is higher than the registration for desexed animals.

The value of the voucher for desexing will also be set by the committee, which I would like to point out will contain representation from the Australian Veterinary Association. Vets with whom I have spoken have been concerned that their costs still be recovered, and there is no reason why that should not be the case. Certainly, they are concerned that there may be some pressure to decrease the cost of desexing, but I think the greater risk for them in the long run is if an alternative model is adopted and the Government must fund desexing vans that do it for free. I know that there has been pressure for some time to do that. Personally, I do not think that it would be successful. The optional component there would make it unsuccessful, and vets would be much more greatly disadvantaged under such a scheme.

By more actively encouraging responsible pet care this Bill may even bring vets more business with visits, once initial contact is made between owner and vet for the purpose of compulsory desexing, from cats who may have otherwise lived and died without veterinary attention—and I can assure members that there are many of those. I would like to emphasise that the committee will have the ability to look at setting lower registration rates for breeders or concessions on desexing vouchers for pensioners.

No group need be disadvantaged by tighter controls on uncontrolled breeding of cats, particularly, I hope, the groups that rely on pets and their value as therapy. The marking method to be used to identify registered and desexed cats, that is, owned cats from unowned cats, will also be determined by the committee.

Two possible methods may be used for the marking of animals: a system of tattooing or the use of micro-chip implants. The latter is rapidly becoming far cheaper and has some attractions. Cats belonging to breeders or kept for showing, which in most cases are kept in fenced runs, could be exempt from marking on the basis that they are unlikely to be roaming free and, therefore, unlikely to be uncollected.

The legislation sets a phase-in period after which all owned cats will be required to be marked as desexed or registered. The phase-in period will allow time for people currently owning cats to have them either desexed or registered and marked. Obviously, with proper education programs there is no reason why the three year phase-in period will not be sufficient.

I certainly do not think that we should require immediate registration desexing for cats already owned by people, or else we would have a large number dumped in a similar way to what happened with dogs when changes were made in relation to the registration of dogs.

In an attempt to cut down on give-aways and very cheap kittens, so many of which end up neglected or dumped because people do not seem to think that kittens grow up into cats and there is a great demand for them, it will be an offence for a person or pet shop to give away or sell a cat or kitten without the fee for desexing or registration being paid at the time of change-over of ownership. I am aware that some councils fear extra work in administering

the scheme. This is not the case, however. There are two problems local government now has that cannot legally be tackled. At present local councils have very little protection if any are attempting to clean up stray cats in a problem area or where a person has a backyard crawling with cats such as the recent example from Sydney, where an elderly gentleman had about 162 cats still breeding on his property—he said in an effort to make some extra money.

This Bill will empower local authorities to collect and destroy stray and feral cats—if they decide it is necessary to do so. I am aware that some councils are doing that now, but they are doing it without legal sanction and could find themselves in great difficulty. I also know of some councils that have programs of desexing and releasing cats. They catch a stray, desex it and release it again, but uncared for and stray cats pose a health and environmental threat.

What this Bill does not do is put any requirements on councils over and above those I have already stated. It simply empowers them to act in two areas in which they are at present powerless. Responsible cat owners need not fear this, as under the legislation their cat would be identified as being owned as it has been marked and therefore cannot be accidentally rounded up with the problem cats and destroyed. I emphasise again that it is not envisaged to have a cat catcher roaming suburban streets in search of unmarked cats. I simply do not see this legislation working in the same way as the dog control legislation. All it will do is give local government the legal power to do what some councils are doing anyway but at some risk.

The cost to the State Government should also be minimal. The Cat Management Committee will need some services, but they will not be full time. They will need a minimal amount of secretarial assistance, and any other work that needed to be done could be done by other officers as part of their existing duties.

Public education would be a major feature of the scheme, and provision is made for the legislation to be phased in to allow a proper and comprehensive awareness campaign to be mounted. The discounts and subsidies that I have mentioned are suggestions only and will ultimately be the subject of both Government decision and the advice of the Cat Management Committee. The legislation will be the start of a solution and a recognition of the fact that there is a problem out there that needs to be tackled. It is not intended to be a total solution.

Clearly, education programs which have been going on for a long time need to continue. However, it needs to be noted that, despite these education programs, if one goes to the Animal Welfare League or the RSPCA right now, one will see boxes upon boxes of kittens being brought in daily. The kitten season will be in full swing in only a couple of months now. Those organisations will put down close to 20 000 kittens this year, as they did last year and as they have done in previous years. I urge members to keep that thought in mind when considering this Bill.

I will not do a clause by clause analysis at this stage, which I have done on a previous occasion. I hope that the other two Parties in this place treat it seriously. I know that many issues come here and can be ranked in importance, but this is still a significant matter, both as an animal welfare matter and as an environmental matter. I hope that this time we will get the support of the other Parties in this place.

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

SOVIET UNION

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

1. That this Council views with deep concern and regret the coup in the Soviet Union on 18 August 1991, which placed President Gorbachev under arrest, declared a six month state of emergency under an extra-constitutional committee, mobilised the tank divisions of the Soviet Army into highly populated civilian areas, placed restrictions upon basic freedoms of speech and movement and prevented the signing of the Union Treaty which was to have granted the Republics greater independence.

2. Further that this Council recognises and supports the courage of Soviet citizens including those in the Baltic States, prepared to publicly demonstrate their abhorrence of this reversal of reform and progress towards lasting democracy and freedom.

Everyone in this Chamber and in South Australia would share my deep horror when they heard, as I did on Tuesday, that Soviet President Gorbachev had been placed under house arrest and a committee of eight had installed itself to run the Soviet Union under a state of emergency for at least the next six months. While the latest reports from the Soviet Union as recently as mid afternoon hold out some small—and I emphasise very small—hope that the coup might not be sustained and that the population is getting behind Russian President Boris Yeltsin, who continues to be a free agent, there can be no joy from the speculation that the USSR might be on the brink of civil war and the news already that at least three Soviet citizens have already died.

The overthrow of Mr Gorbachev by his army and the gang of eight is a blatant violation of the Soviet constitution and is as reprehensible as the countless other violations that have occurred over the past 70 years in a nation that remains the greatest conundrum of them all. The USSR is a nation to which the very concept of democracy until recently has been alien. It is a nation that only earlier this year voted in its first democratically elected leader in Russia's 1 000 year history. Now, that hard-earned democracy might only have been a fleeting affair.

There is no doubt that we in South Australia and people all over the world are watching a potential tragedy in the making. It appears that the optimistic hopes of many of us for a more peaceful future, not only for Soviet citizens but for all citizens in the world, with the thawing of the cold war between the super powers, potentially have been dashed and we can only hope perhaps for a short time but worryingly perhaps for quite a long time. All members would share my feeling that our hearts go out to the Soviet citizens and, in particular, their friends, relatives and acquaintances here in South Australia who make up the peaceful multi-cultural South Australian community that we enjoy here.

I refer to the hardline committee of eight, or perhaps now of five or six, if the latest reports are true that, for example, Prime Minister Pavlov is ill and two others are to resign. True, one should not in a serious motion like this indulge in any mirth or frivolity at all, but it is rather ironic to note the number of Soviet leaders who take ill at important or critical times. President Gorbachev is reportedly ill and being looked after; Prime Minister Pavlov is evidently ill, and I note a report in this afternoon's *News* that Foreign Minister Bessmertnykh is also reportedly ill and unable to undertake any public duties at the moment.

Potentially, the gang of eight is down to a gang of perhaps five or six, although there are suggestions as of this afternoon that others are already being added to that emergency committee originally of eight. This hardline committee of eight has already disturbingly imposed a clamp on the press, imposed a curfew on all citizens and banned all public meetings and demonstrations. Already there have been ample reports that these restrictions are being enforced. Radio

stations have already been taken over or surrounded by troops, and dour-faced television news reporters or presenters are replacing the usual newsreaders on television stations in Moscow and throughout the Soviet Union.

The official communique issued by the gang of eight claimed mortal danger had 'come to loom large' over the Soviet Union. It also said:

Extremist forces have emerged which have set out to dismantle the Soviet Union, break up the state and seize power at all costs.

The truth, however, is that the timing of the coup had everything to do with the impending signing of the union treaty. The member states of the Soviet Union that were prepared to accept the union treaty would have received unheard of autonomy with the signing of a new treaty, which we understood was to be signed some time this week. Already eight of the 15 republics making up the Soviet Union had agreed to sign the document with a further two republics, the Ukraine and Armenia, being prepared to negotiate further on the matter.

Signs that the treaty was under threat were apparent to observers as recently as last week when Prime Minister Pavlov said the document would weaken the unified economic complex of the Soviet Union by dividing national wealth among the various republics. Rumbblings of the grounds for a conservative coup were also signalled by the president of the central Soviet state bank, Gosbank, who said Mr Gorbachev's blueprint contained unacceptable provisions that would enable any of the 15 republics to have unheard of autonomy.

Russian President, Boris Yeltsin, has identified that the treaty would enable Russia to take control of its own resources. The Russian Federation accounts for more than 90 per cent of Soviet oil production and 76 per cent of natural gas, and is the main source of Soviet export earnings. What would have been undoubtedly unpalatable for many Soviets, however, was Mr Yeltsin's announcement this month that Russia would take control of the vast oil reserves of western Siberia from next week, and that this would result in a trebling of oil prices on the internal Soviet market in order to bring them into line with world prices.

Mr Pavlov has said that oil price rises of the order indicated by Mr Yeltsin would lead the economy into runaway inflation, certainly on top of the pressures a highly shaky economy was already being subjected to. There is no doubt President Gorbachev has had enormous problems to contend with and his popularity abroad belies the widespread unpopularity of some of his policies within the Soviet Union. But while he has many flaws, just like any other statesman, he has been a leader who for the first time offered tangible evidence that the Soviet Union was finally prepared to shed its image of the ogre bear.

President Gorbachev's place in history—no matter what the outcome of the current coup—will be that he helped deliver the cold war thaw, and for that we should all be eternally grateful. At the same time, he was the Soviet President who enabled the peaceful nature of the revolutions in Eastern bloc nations, ending four decades of Soviet control. Who in this Chamber was not moved by the television footage of the dismantling of the Berlin wall, and the reuniting of German families separated previously by that edifice?

Mr Gorbachev's plans for a radical shift in philosophy to essentially abandon communism and embrace a market economy were fraught with gigantic problems, such as dwindling food supplies and collapsing industrial production. However, if the so-called gang of eight believe that they can set the Soviet economy right by a coup, then they are badly mistaken. There never has been an efficient Soviet economy

that can be restored by coup and, while Mr Gorbachev got short shrift from the G-7 nations when he sought funds to bale out the Soviet economy, the coup leaders have little chance of even receiving an appointment.

Already promises of aid from sympathetic nations have been frozen or cancelled, Mr Gorbachev's experiment with the Soviet Union was a tough proposition in itself. He sought to transform into a democratic nation a communist regime that had been ruled by intimidation and violence for more than 70 years. He had set out to dismantle a huge, rich and highly privileged network of police, soldiers and Party officials who ran the Soviet state.

When he took over the Party leadership in March 1985, Gorbachev began his changes with the slow but relentless movement of a freight train. A year later he began his reform program in earnest, making the terms glasnost (public openness) and perestroika (radical overhaul of the economy) virtually household terms. In 1988, Mr Gorbachev presided over the dissolution of the old Supreme Soviet, the rubber-stamping legislature, and replaced it with the first of several new institutions more akin to western Parliaments.

In many ways the events in the Soviet Union this week should come as no surprise—only the timing. Late last year when Eduard Shevardnadze resigned from the foreign ministry, he warned against the advance of a dictatorship. And only a week ago when Alexander Yakovlev, one of Gorbachev's principal advisers, resigned from the Party, he warned that conservatives were planning a coup.

The eight members of the committee, which has now taken over the Soviet regime, were all Gorbachev's appointees, which makes the coup even more sinister. In many ways the stealth of the takeover and the reasons given for the action—'moving to prevent the anarchy and chaos threatening the security of Soviet citizens'—mirrors the action taken by the plotters to remove President Khrushchev in 1964.

Indeed, again on that occasion various leaders were ill, according to the coup perpetrators. However, there is no doubt that if the coup leaders intend to assert their authority beyond the limits of Moscow it will be achieved only with substantial bloodshed. This is reinforced by the latest admittedly sketchy reports coming out of Moscow that some troops have already opened fire on civilians in Estonia and Russia. Lithuanian President, Mr Landsbergis, recently indicated that a military dictatorship by the new regime would only be introduced into his republic by violence.

Last January we saw how ruthless the Soviet military can be when it cracked down bloodily against the pro-independence Lithuanian Government by attacking the Vilnius television tower. Certainly from Mr Landsbergis's perspective they see the latest developments in Moscow as threatening their republic's sovereignty and a continuation of the 'Hitler-Stalinist' pact which enabled the Soviet Union to take control of Lithuania and the Baltic states of Latvia and Estonia.

I think that one of the most telling commentaries of the current situation in Moscow came in Peter Smark's opinion piece in yesterday's *Age* newspaper. Smark said:

Mr Valentin Pavlov recently alleged that Western bankers were trying to sabotage the economy of the Soviet Union. That would be like trying to sabotage the business empires of Christopher Skase or Alan Bond. The reality is that the only credible economy in the Soviet Union is the black market.

Smark further stated:

The *Spectator* put it well when it recently remarked that 'A Government which believes in its heart of artificial hearts that the black market creates shortages rather than that the shortages create the blackmarket is not one to whom vast sums can safely be entrusted.

Gorbachev's successors stand for yesterday, for the privileges of the nomenklatura and for the cause of order, not of law, and they believe a command economy can be made to work against all evidence and that against all evidence the Soviet Union is still a credible world power. At some point in time the Soviet Union will have to learn how commercial activity is carried out and how a demand economy works.

The gang of eight will not be able to stop permanently the processes of reform unleashed by Mr Gorbachev. They may slow or even halt for a time this process, but the momentum is too great to be reversed. Soviet people have tasted briefly some of the fruits of freedom and democracy, and that brief taste will not be enough to satisfy them. It is true that this motion by itself, passed perhaps by the South Australian Parliament, will not carry much weight in Moscow. It is, nevertheless, in my view an important part of a world-wide expression of abhorrence at the action of the gang of eight in deposing Mr Gorbachev. It is also my view that it is a very important sign to our friends in South Australia in the Latvian, Lithuanian, Estonian and Ukrainian communities that our thoughts are with them and their friends and relatives during this tragic time. I am sure that all members in this Chamber would have friends and acquaintances in those communities as they are well represented in South Australia, as indeed are other communities.

Much could be said in relation to this motion, but I do not intend to say much more. We are all reading about it, watching the television with interest and listening to the latest news bulletins. Certainly, the situation changes almost hourly. This motion is worthy of tripartisan support in this Chamber. I hope that all members accept it as a genuine expression of view by members of the Liberal Party in this Chamber, and I hope that the view will be shared by members of the Labor Party and the Democrats.

No political advantage is being sought by the Liberal Party. We hope that this will be an expression by all members of the Legislative Council and the House of Assembly as a genuine way to express our deep concern and regret about the coup in the Soviet Union and to indicate that we recognise and support the courage of Soviet citizens—some hundreds of thousands of them—in expressing passive and peaceful resistance as far as they can to the actions of the army and the new gang or committee of eight in control in the Soviet Union presently.

Clearly, there will have to be some limit to that passive and public resistance by Soviet citizens, as they have families and children. Clearly, most of them do not wish to lose their lives in demonstrating public and passive resistance to the military. This motion is a small indication from this part of the world that our thoughts are with them and with their friends and relatives. I urge all members to support the motion.

The Hon. J.C. BURDETT: I rise to speak briefly in support of the motion. I congratulate the Hon. Mr Lucas for having raised the issue. It is most appropriate, even though in our small way as a House in the South Australian Parliament we do not have a great deal of effect. I support the motion because in 1987, as you, Sir, well know, I was part of a delegation from the South Australian Parliament to Armenia, and we spent some time in Moscow and Leningrad. You, Sir, led that delegation. You will recall that we were there while the first democratically elected Congress convened, and there was great activity in the city of Moscow on the eve of Congress meeting. We were also there during part of the sitting of the convention. The Russian people

showed a great interest in the democratically-elected Congress. Anywhere that there was access to a television set—outside shop windows or in hotels—people were glued to the screen. When we were taken anywhere by Government car the drivers had the radio on listening to Congress. That did not help us very much because we could not understand Russian. However, we could watch the television screen.

I commented to one of my colleagues that during the sitting of Congress, no-one was out of the Chamber, no-one was asleep and no-one was reading the newspaper. My colleague, being of more cynical turn of mind, said, 'Give them time, they will soon learn.' Certainly it was very noticeable in Moscow that there was great interest amongst the Russian people in both the democratically-elected Congress and in the reforms of Mikhail Gorbachev, especially towards democratisation and the loosening up of the economy towards a market economy. A definite real support for him and his movements was evident. When we eventually got to Armenia we visited the centre of the Armenian Church, and the people apologised that their leader, the Catholicos, was not there to meet us because he was a delegate of the Congress. We observed that on television, and noted that he and his traditional black eastern church guard were present at the congress.

In the Hon. Mr Lucas's motion he referred to the fact that this coup is outside the constitutional methods of bringing about any kind of change. That, I think, is a thing that we in this democratic Parliament should be most concerned about. We should be most concerned that any changes in any regime ought to be carried out constitutionally and without any kind of violence. I therefore strongly support the Hon. Mr Lucas's motion and ask the Council to support it.

The Hon. J.F. STEFANI: I rise to speak in support of the motion moved by my colleague, the Hon. Rob Lucas. The events which have overtaken the deposed Soviet President, Mikhail Gorbachev, and which are now threatening the peace and lives of the people of the Soviet Union have shocked the world. Through military force and the KGB network, the hardline communist rulers are determined to take control of the Russian republic and to destroy the fragile efforts which had been made to achieve freedom and democracy for the Soviet people and the people of the Soviet and Baltic states. We read with horror that in Leningrad armoured vehicles and tanks advanced by the Red Army and the KGB are occupying the city.

Soviet military commanders have ordered paratroopers to take control of the Governments and, in the Baltic states, troops have been reported to be occupying the capitals of Latvia, Estonia and Lithuania. There is real fear that violence will emerge and that innocent people striving to achieve the independence of their countries will be killed. We know that over the years these have been the main features of the Soviet rule in the Baltic countries. Over 500 000 Estonians, Latvians and Lithuanians have perished in Soviet concentration camps. The Baltic people are today denied their basic human rights. Unfortunately, this is still the case, despite all the changes that may have occurred elsewhere in Eastern Europe since 1956.

The military coup, inspired by the communists and the Red Army, has brought fears of more bloodshed in the Baltic states and the Soviet Union. These violent and irresponsible actions are a major setback for Soviet reform. The declaration of independence in the Baltic states will become irrelevant if the communist hardliners hold power in Moscow. There is little doubt that President Gorbachev was dumped on the eve of signing the new Union Party

treaty with leaders of key member nations of the Soviet Union and before the summit, which was to take place in the United States later this year.

The Stalinist hardliners who control the Communist Party could no longer tolerate the deliberate and considered change that President Gorbachev was hoping to achieve within the old order. The new leadership, of course, has now seized power and assumed complete authority over the legislative process. This is a grim reminder of the old ways of the Red Army and the methods adopted by the communist rulers. First thoughts are that perestroika is dead and that the efforts by Gorbachev to create a new democracy have failed.

In supporting the motion our concerns must be not only for the present but also for the future and for the restoration of independence, freedom and peace to the people of the Soviet Union and the Baltic states. Our commitment must also show some support to the Latvian, Estonian and Lithuanian communities in South Australia in their hour of anxiety and need over their great concern at the events that have overtaken their countries and the people of the Baltic states.

The Hon. BERNICE PFITZNER: I rise to support the motion moved by my colleague, the Hon. Mr Lucas. As I mentioned in my Address in Reply speech yesterday, although Australia is in the doldrums financially, we do have above all a sustainable democracy and freedom of speech and expression. We as Australians are used to, and take for granted, the fact that our level of freedom is our right. In other countries there are different levels of freedom, which we would find hard to understand. For example, there is a certain level of freedom in Singapore, but not to the extent to which we are accustomed in Australia. We are aware that perhaps that level of freedom is all that is possible for Singapore at this time, for the good of the country.

Again, in China and with the events at Tiananmen Square, when the conflict exploded and lives were lost, we in Australia were aghast. We are aware that the internal pressures were great and that the proposed reforms were instituted too rapidly. What was requested to be instituted in weeks could only be grasped and implemented over a period of years but, although we understand the difficulties, we can never condone the strategies used to achieve these aims.

Today, we hear that democracy is being threatened in the Soviet Union. We understand that President Gorbachev instituted reforms that, again, might have been too radical and too rapid to grasp. We are also aware that the economic situation compounded the issue. Again, however, we in Australia cannot understand nor accept that this strategy, which undermines all the principles of democracy and human rights, is the way to go to resolve conflict. We watched the Berlin Wall come crashing down; we had great hopes for the seed of democracy to begin to grow; but this latest upheaval will be a setback in a reform that appeared to be going in the direction of more freedom to the people.

I am sure that we in Australia will again be deeply concerned for the basic freedoms of speech and movement for the people of the Soviet Union, and we also strongly support the courage of the Soviet citizens, including those in the Baltic states. In closing, I would like to read an appropriate poem of hope by a local talent, Mr R. Williams, entitled *The Eagle*, as follows:

The eagle flew with majestic grace
Across the jagged cliffside face
So beautiful it was
That eagle's flight
I kept it hour by hour in sight
Then a raging storm grew
Crashing power as it grows and grows
I waited held with bated breath
To see my eagle smashed to death
With what transpired my heart still sings
To see that eagle set its wings
As through the storm he rose
The eagle he gently soared and soared.

I recommend this motion to the Council and fully support it.

The Hon. M.S. FELEPPA: I certainly wholeheartedly endorse the motion that has been moved by the Leader of the Opposition in this place. I join the remarks being made by other members in condemning the action that has been taken by the unconstitutional group in Russia in this instance. So, I will not repeat what members have already said. However, I think I should point out one slight concern, particularly with regard to the second part of the motion. I am sure that the Leader of the Opposition did not reflect on the words contained therein. I refer particularly to part 2 of the motion which states:

... that this Council recognises and supports the courage of Soviet citizens including those in the Baltic States ...

While I understand that the Leader of the Opposition in the Council probably did not reflect deeply on those words, I think that the people of the Baltic States would be concerned at the implication that they are being equated with Soviet citizens. I believe that this section would no doubt be resented by the people of the Baltic States. In my view, the citizens of those States do not consider themselves to be citizens of the Soviet Union, nor do they recognise the illegal actions taken by the Soviet Union in annexing the Baltic States. The history of the past decades has abundantly shown why they would resent this sort of analogy.

The Baltic community in South Australia does not recognise the illegal occupation of Latvia, Estonia and Lithuania by the Soviet Union and, therefore, would take great exception to their brothers and sisters being referred to as Soviet citizens. So, I support the motion, but I think it is important for us to draw the attention of the Council to the fact that our friends within the Baltic States would be concerned at this reflection.

The Hon. CAROLYN PICKLES: I support the motion. I had the opportunity to visit the Soviet Union some years ago to attend an international peace conference held for women. At that time perestroika and glasnost were just beginning. I felt a great deal of openness, friendliness and warmth from the Soviet people. For the first time, perhaps, I realised that they, too, were sisters and brothers under the skin. Last year we had the fortunate experience of the visit of Zoya Zarubina, who was a very famous Soviet citizen. The Hon. Ms Laidlaw also had the opportunity to meet Miss Zarubina. She had a great history of probably 60 years of service to the Soviet republic. She was a very interesting woman who spoke with great conviction and warmth about the role of President Mikhail Gorbachev.

The Hon. Diana Laidlaw: And humour.

The Hon. CAROLYN PICKLES: Yes, indeed. So, it is with a great deal of sadness that I now watch the events unfolding in the Soviet Union—the tanks rolling into beautiful Red Square. Of course, it reminds me very much of the events in China only too recently.

Like my colleagues in this place, I sincerely hope that there can be a peaceful resolution of this conflict, although I have the greatest doubts about what might be the outcome. This is a sincere expression of the way this Chamber feels about the events that have unfolded. I congratulate the Opposition for raising this issue. I understand that my colleague the Hon. Mario Feleppa had a very similar motion that he would have introduced had this motion not been introduced first. I think that members on this side support the motion and its sentiments, and we sincerely hope that a resolution of this conflict will occur very shortly. I personally fervently hope that President Gorbachev can be reinstated in what is his rightful position.

The Hon. C.J. SUMNER (Attorney-General): I will not repeat what has already been said, except to say officially on behalf of the Government that we support the sentiments in the motion and we will vote for it. I do not think it is a motion that should be adjourned for further consideration, as is customary with most motions. Given that this is an issue that we are confronted with at this very moment, the Council should express a view on it today. It is also important that motions such as this be passed by the Council unanimously. I commend the Opposition for bringing up the motion, but I also indicate that the Hon. Mr Feleppa had spoken to me yesterday and had prepared a motion that was to be introduced on behalf of this side of the Council. The only other comment I would make has already been perhaps touched upon by the Hon. Mr Feleppa; that is, while the second part of the motion refers to those in the Baltic States, it is also fair to say that there is a large number of other republics within the Soviet Union. The Ukrainians, for example, are also looking towards greater independence and freedom. I would not like to feel that the fact that they and others are not mentioned is a reflection on their particular concerns. However, I do not intend to move an amendment to the motion. I think it should be passed unanimously and with those few remarks I express the Government's support for the motion.

The Hon. I. GILFILLAN: I indicate strong support from the Democrats for the motion. I am encouraged. That it has been dealt with so promptly and with such unanimity from all positions in the Legislative Council is a refreshing expression of unanimity and conviction from this Chamber. It reflects how profoundly the world has seen the recent events in Russia, prompted to a large extent by Gorbachev's leadership, as a world talisman for a new era, a new dawn, far more significant than the so-called 'new world order' that was to spring from the Gulf War under President Bush's new regime.

Therefore, it is not a surprise to me to find that all of us have felt so distressed by the dramatic intervention by reactionary forces in what were from a world perspective very exciting and potentially rewarding developments in the USSR. I am not so naive as to believe that there were not enormous obstacles, and there were obviously signs of division and stress within the regime in the USSR, but they were stresses and divisions of a free society emerging from generations of oppression. I believe and pray that the energy that was unleashed in that is unstoppable and that this is only a temporary deterrent, halt or delay in the inevitable processes that were taking place in the USSR and from which the whole world would benefit.

I, too, congratulate the mover of the motion, but I include congratulations to all members who have spoken on it. I consider it to be a landmark expression from this Chamber on such an occasion. I hope that we will all soon be able

to reflect on today with joy and relief at the failure of the putsch that is currently looming threateningly over the USSR. I support the motion.

The Hon. R.I. LUCAS (Leader of the Opposition): I thank the seven or eight members who spoke briefly on this motion. I join with Hon. Mr Gilfillan in welcoming what would appear to be the unanimous support of this Council in support of the motion. I share the comments and concerns raised by the Hon. Mr Feleppa, and I understand his concerns. I also understand and agree with the comments from the Attorney-General. I indicated in my contribution that in South Australia we have significant Baltic communities, but we also have a significant Ukrainian community and a number of other communities representing the other republics of the Soviet Union.

The point made by the Hon. Mr Feleppa is well made. Certainly, this motion and its drafting is not intended in any way as a recognition or an acceptance of the Soviet annexation of the Baltic States. The position of the Liberal Party, the Hon. Mr Feleppa and others in the Labor Party has been well known in relation to that policy. I thank honourable members for their brief contributions to this motion, and I welcome what would appear to be the unanimous support of the Council for it.

Motion carried.

MOTOR VEHICLES (APPROVED INSURERS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 14 August. Page 138.)

The Hon. T. CROTHERS: I rise to oppose the Motor Vehicles (Approved Insurers) Amendment Bill, introduced into this place by the Hon. Di Laidlaw. This is the second occasion this year that the honourable member has brought the Bill into this Council for debate. It leads me to ask myself the question as to what has motivated the honourable member to so do in the most ardent way possible.

The Hon. Diana Laidlaw: The SGIC.

The Hon. T. CROTHERS: I will come to that in a moment. If the honourable member listens she will learn. I have tried in every way I can to bottom out her rationale for this, and I am stumped as to her reasons. Consider some of the reasons that she advanced in the various speeches that she has thus far made this year in this Council. First she says:

I do not think I am being tough. I am simply asking for accountability on behalf of taxpayers and motorists in South Australia.

The fact is that an independent committee of inquiry into certain aspects of the affairs and operations of the SGIC in this State concluded that the SGIC was a very professional and well-run organisation. Indeed, the organisation almost from the day of its foundation has generated many tens of millions of dollars of revenue for this States citizens, well beyond the original kick-start investment funds injected into the SGIC to get it up and running, surely one of the best of many good decisions made by the Labor Government of

that time. And that was after some ferocious opposition by the then Liberal Opposition.

I, for one, would pose the question that, if Ms Laidlaw's amendment were to get up, what, if any, guarantee can she give the citizens of this State that the private insurance companies will not again pull out the rug from under the feet of the citizens of South Australia as they did in the early 1970s, leaving the SGIC as the only insurer who would accept the risk of covering our State's motorists for third party insurance at a time when they, the private insurers, pulled out of that responsibility because, as they stated at that time, there was no profit for them in third party insurance. But now the SGIC has turned that corner of loss into profitability, the private insurers want to come back onto the field of play, an activity which, if allowed by the passing of this amendment, will succeed only in taking tens of millions of dollars out of the pockets of this State's citizens, the very citizens whom Ms Laidlaw assures this Council she is so very anxious to defend.

I would suggest that Ms Laidlaw's best endeavours in regard to that aspiration would be to immediately withdraw her amendment from the Notice Paper. In addition to the foregoing considerations, this Council should also consider the fact that it has before it a motion standing in the name of the Hon. Mike Elliott calling for a select committee which, amongst other things, if given effect to, will seek:

To examine the financial position of the State Government Insurance Commission.

I would put it to members that, if that committee gets the go ahead from this Council, then the effect of the Hon. Ms Laidlaw's amendment would be to strike at the heart of the workings of that committee. Indeed, I would like to quote from a speech made recently in this place by the Leader of the Democrats, the Hon. Ian Gilfillan. As some members of this place would know, Mr Gilfillan has considerable Celtic blood flowing through his veins, and at times he can be quite fey in his comments. I quote him directly:

However, we believe that the time is not right for the opening up of compulsory third party insurance to other companies.

That statement was made in April or thereabouts of this year. In addition, I understand that the Minister responsible is currently examining the Bill with a view to bringing in amendments of his own to be considered by members in another place. For all the foregoing reasons, I believe that, once again, the Hon. Ms Laidlaw's effort is, at best, premature in her frantic efforts for the second time this calendar year to have her amendment carried by this Council.

In one of her contributions, the honourable member alluded to the fact that, if private insurers entered the field, insurance premiums would fall, and I believe that she cited New South Wales as consummate proof of her assertion that premiums would indeed drop. The fact of the matter—and I want to put it on record—is, however, the opposite of that, because as at 12 August this year insurance premiums in New South Wales were some \$84 per year higher than in South Australia. That was in spite of the fact that private insurers are operating in this field of third party insurance in New South Wales.

I conclude by saying that the Royal Automobile Association, with its large membership and huge resources, is not prepared to say that a multi-insurer system would mean cheaper premiums and that, standing on its own, should be warning enough for us all to beware of the contents of the Hon. Ms Laidlaw's amendment Bill to the Motor Vehicles Act. The Government opposes the Bill.

The Hon. I. GILFILLAN secured the adjournment of the debate.

STATE TRANSPORT AUTHORITY

The Hon. I. GILFILLAN: I move:

1. That a select committee be established to inquire into and report on—

- (a) the efficiency, effectiveness and appropriateness of STA and other urban public transport services in the Adelaide metropolitan and adjoining areas;
- (b) the economic, environmental and social costs and benefits to be obtained from public funding of urban public transport;
- (c) the advantages and disadvantages of alternative methods of providing transport services and alternative relationships between service providers and governments;
- (d) any other matters relevant to maximising the community benefits of public funding and urban public transport; and
- (e) measures necessary to ensure the community benefits of urban public transport are continually maximised in a changing environment, paying particular attention to—
 - (i) industry structures and roles of Federal, State and local governments that provide the flexibility to adapt to change;
 - (ii) levels, sources and methods of public funding that maximise community benefits;
 - (iii) organisational and management arrangements that encourage continual improvement in performance, especially in respect to customer service and efficiency; and
 - (iv) any other measures to achieve this aim.

2. That Standing Order No. 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.

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

Although I formally move for the establishment of a select committee with the terms of reference I have spelt out, I do not intend to speak in detail to those terms of reference today, so I would like to seek leave to conclude my remarks on the motion at a later date. Although members have graciously allowed me to change the words originally in the motion, I would like the opportunity for them to consider the new wording and also for me to prepare a more detailed argument when I speak to the motion.

Leave granted; debate adjourned.

PROSTITUTION BILL

The Hon. I. GILFILLAN obtained leave and introduced a Bill for an Act to regulate prostitution; to make related amendments to the Criminal Law Consolidation Act 1935 and the Summary Offences Act 1953; and for other purposes. Read a first time.

The Hon. I. GILFILLAN: I move:

That this Bill be now read a second time.

This measure, is in a slightly amended form from that moved previously but, basically, the structure of the Bill is the same. The aim of this Bill is to reform the laws on prostitution as currently exist in South Australia, primarily by removing prostitution as a criminal offence and to regulate it through a system of personal, non-transferable licensing of individuals.

In so doing, I believe that the provisions within this Bill may well, in the fullness of time, become the foundation of similar law reform measures in other States, measures that will eliminate, what in South Australia, I consider to be laws based on discrimination against those working prostitutes, mainly women, involved in the current illegal industry, while allowing their clients, usually men, to get off scot-free.

On 10 April this year I introduced a similar Bill to the Legislative Council of this Parliament but, due to the winter recess, that Bill lapsed, a factor which has led to the

reintroduction of a similar Bill in this place today. I remind members that, at the time of my second reading speech in April, I indicated that the winter recess period of almost four months would in fact provide a suitable period for public debate and, if necessary, a redrafting of the Bill to take into account aspects that I believed would improve the original Bill.

I will not take up the time of members by repeating the history of prostitution and attempts in the past decade to reform prostitution laws here in South Australia, as that detail is already on the public record in my earlier second reading speech. However, I would like to detail other aspects of the prostitution debate that I have been involved in over the past months, aspects which in many cases have been directly responsible for the redrafting in a minor way of this Bill currently before the Council.

On Tuesday 11 June this year I travelled to Melbourne to hold a series of meetings with those people most closely involved in prostitution in that State. Members may be aware that Victoria does have legislation in place which allows for the legal operation of brothels based on a system of approved planning permits by local government. Early in this debate much of the criticism levelled at my move for prostitution law reform came from those people in the community who made direct comparisons with the Victorian experience. I regarded it as of paramount importance that I saw, first hand, the situation that exists in Victoria.

My visit to Melbourne allowed me the opportunity to meet with Professor Marcia Neave who, in 1984, conducted the Victorian study that resulted in that State's current legislation. Professor Neave is currently Professor of Law at Monash University and is generally acknowledged as one of the foremost authorities on prostitution in Australia. I presented many of the criticisms of my Bill to her, criticisms which made a direct comparison to the law as it currently operates in Victoria.

Professor Neave pointed out that many aspects of the original Victorian legislation were amended by the Victorian Parliament and, when the Bill was passed, the Government of the day chose not to proclaim many of the provisions within the Act. She told me that many of the problems now associated with the Victorian prostitution industry are the direct result of Government failure to proclaim the entire Act. The Victorian Act contained two crucial parts: a system of licensing and the recognition of small brothels. In her view, one could not be effective without the other but, despite all the argument to support her view, the Victorian Government did not proclaim that part of the Act which allowed for small brothels.

Her assessment appears to be correct, because much of the criticism of Victoria's licensing system is that it has created a two-tiered system. One tier is made up of legal brothels, which may be described as mega-brothels attracting big money interests and doing nothing for the livelihood of ordinary working prostitutes, while the other tier consists of illegal brothels, the result of strict limitations on council planning permits and the exorbitant premiums attached to those permits which effectively place them beyond the purchasing power of ordinary workers.

It is at this point that I would like to point out the significant difference between the licensing provisions that exist in Victoria and those contained within my Bill. In Victoria a brothel may operate legally if a council planning permit is obtained. After five years of operation only 67 permits have been made available, which in turn has forced many prostitutes into working in illegal brothels or on the streets. Those premises with planning permits are often worth millions of dollars on the open market and this has

attracted big money interests, interests that are able in that State to hide behind the complexities of corporate and company law and the anonymity offered by the very nature of its complexity. This is not the case in my Bill.

The licensing system provided for in my Bill is for licensing a person as an operator with provision for approval of managers of a brothel. There will be a five member board which has full investigatory powers to enable each applicant for a licence to be thoroughly investigated before a determination is made on the applicant's behalf. In addition, licences may only be granted to individuals. No corporations, companies or other business mechanisms can be used to hide behind, a move I believe will go a long way to preventing undesirable elements with organised crime links from taking control of the industry.

My visit to Victoria offered me the opportunity to speak with a number of working prostitutes, inspect some legal premises, speak with brothel owners and managers, social workers with the Prostitutes Collective of Victoria, local councillors and legal officers within the Victorian Attorney-General's Department. In almost every case all parties agreed there were problems with the current legislation in that State, but no-one wished to return to what was often labelled the 'dark old days', a time when Victoria's prostitution laws were virtually the same as currently exists in South Australia. Again, almost without exception, everyone I spoke to was very supportive of the overall content of my proposed Bill and, in some cases, offered suggestions and pointers aimed at closing potential loopholes and tightening up the Act to avoid many of the pitfalls experienced in Victoria.

Here in South Australia I have spoken with many groups, organisations, church groups, members of the public, schools, universities and the media about this issue over the past few months. If there has been one consistent line that has become apparent in all these discussions and meetings, it has been the almost unanimous recognition that the laws relating to prostitution in South Australia do not work. Even those people opposed to my Bill on moral and ethical grounds agree the current laws are highly discriminatory and in need of change.

Not once in these past months have I met a single person who believes the current prostitution laws in this State should remain as they are. There have been many arguments put to me by people concerned about the morality of this Bill. They are arguments I respect and treat very seriously but, with respect, they are arguments that I do not consider relevant to this law reform measure.

During the 1980 debate on a similar Bill introduced by former Democrat MP, Robin Millhouse, the member for Stuart, Labor MP Gavin Keneally, who at the time had been a part of a parliamentary select committee investigating prostitution, said:

... those who believe that the responsibility of members is to write Christian morals into law make it a difficult proposition indeed. Perhaps my word on this matter will not be accepted, so I will quote for the benefit of those members, who may be wavering on this issue, a statement by the Reverend Father Bruce Vawter in his book *The Four Gospels—an Introduction*. He is a Vincentian priest and the book he wrote had the imprimatur of Cardinal Ritter of the Archdiocese of St Louis. Father Vawter says:

There is a rather important Gospel teaching that Christians have not always properly understood. Graces cannot be legislated. Understandable that it may be that Christian nations will desire their laws to reflect religious convictions of their people, it is a very questionable wisdom that has promoted a country or state to translate into civil and actionable law a divine word that has been sent into the soul and conscience of Christian man.

For Christian man such a thing is unnecessary in the first place and a usurpation of the liberty with which God has made him free; for non-Christian man—who is at least as frequent

in a Christian country as in any other—it is an intolerable burden.

Earlier this month Bishop Owen Dowling of Canberra and Goulburn told the Anglican Synod he personally favoured the regulating of prostitution through legislative changes. Quoted in Australia's national Anglican weekly *Church Scene*, Bishop Dowling said:

... there is more hope of enforcing health standards on brothel owners and operators, and of course, ... there is also the possibility of protecting sex workers from exploitation by those who employ them ...

He also stressed that he was:

... far from approving of prostitution ... [but that] ... approval and legislative control should not be confused as the same thing.

A recent draft paper on my private member's Bill prepared by the Social Justice Commission of the Uniting Church recommended that:

... this Bill is most certainly preferable to the current legislation. Current legislation only exacerbates a situation of exploitation and oppression, particularly women. We therefore offer our support to this Bill, acknowledging that it is not ideal, but recognising that it is much preferable to the situation at present.

In February this year the National Crime Authority in its Operation Hydra report, recommended that:

... the operation of the criminal law in South Australia, as it applies to prostitution, be reviewed with reference to the law and practices in other states ...

As a result of that recommendation the Bannon Government seconded Mr Matthew Goode, Senior Lecturer in Criminal Law at the University of Adelaide, to review the law and prostitution and deliver an information and issues paper on the subject. This paper was completed and circulated at the end of July and contained among other things the statement that:

... the criminal laws that relate to prostitution that now exist in South Australia are outmoded, inadequate, incoherent and unfair. Whatever the model for reform that is finally adopted, the existing criminal offences should be repealed and replaced ... Indeed the Matthew Goode report dealt in great detail with a number of court cases illustrative of the highly discriminatory nature of existing prostitution laws. In 1978 Justice Samuels said in making a ruling on the very fine distinctions upon which cases often needed to be judged that:

... such distinctions reflect no credit on the law, which I am nevertheless bound to administer; but in view of the wide divergence of judicial opinion in this court, I venture to suggest that the legislation might merit the attention of Parliament.

It has taken 13 years and two previously unsuccessful attempts—the author of one of those two attempts is in the Chamber with us and I acknowledge my admiration and support for that earlier attempt for the attentions of Parliament to be brought to bear on this issue since that rather broad hint by Justice Samuels, but the time has arrived and I hope that members will give this Bill full consideration before exercising their vote of conscience.

I do acknowledge, however, support offered for the Bill by the Leader of the Opposition in another place, Dale Baker, and the support for the Bill by way of suggestions, rewording, the inclusion of new clauses and the deletion of some parts of the original Bill that have come from several members of Parliament.

Before detailing the clauses of the Bill, I would add that reform of prostitution law is an issue being undertaken at various levels in every State of the Commonwealth. With the exception of Victoria, where legislative change has been operating for the past five years and some relatively minor changes affecting the likes of Sydney's Kings Cross district, no other Parliament is as far advanced on the reform path as we are currently here in South Australia through this Bill and I believe that, if passed, this Bill would act as a model of reform for other Legislatures around Australia.

It is worth noting that the Australian Institute of Criminology last year published a paper on prostitution which said in part:

... the confusion felt by law-makers about how best to cope with prostitution is best reflected in prostitution laws themselves, which are clouded in ambiguity and contradiction ...

Indeed, the Fitzgerald inquiry in Queensland, which spent so much of its time uncovering top level corruption through prostitution, reported in 1989 that:

... restrictive laws which seek to prohibit behaviour for which there is substantial demand and which is profitable, encourage the involvement of organised crime and corruption ...

It further reported:

... criminalisation of prostitution has encouraged significant criminal activity for several years and has resulted in serious health and welfare problems ...

I believe this Bill does not suffer from the tag of ambiguity and confusion, nor is it inadequate or unfair, but rather, refreshingly reformist in its treatment of both prostitute and client, yet carrying with it significant penalties for those who may attempt to step beyond its well dignified guidelines. I seek leave to have the detailed explanations of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clauses 1 and 2 are formal.

Clause 3 provides for definitions for words and phrases within the Bill, in particular 'authorised officer' which means a person appointed by the Minister to exercise the powers of an authorised person for the purposes of this Act, 'drug of dependence' which has the same meaning as in the Controlled Substances Act 1984, 'licensed brothel' which means a brothel the operator of which is licensed in accordance with the provisions of this Act and 'prostitution' or 'prostitution services' which means the provision by one person to another person (whether or not of a different sex) of sexual services for payment.

Subclause (2) sets the age for determining underage persons at 18 while subclause (3) is transitional to allow for the fact that a person who has been found guilty of an offence related to prostitution or the keeping of a brothel prior to the commencement of this Act does not of itself mean that he or she is not a fit or proper person to hold a licence or be approved as a manager under this Act.

It may also be noted that section 14 (c) of the Acts Interpretation Act provides the mechanism for the Government to phase in the Act once passed.

Clause 4 means this Act operates to the exclusion of offences related to prostitution established by common law or by Act of the Imperial Parliament.

Clause 5 establishes the Brothel Licensing Board to consist of five members appointed by the Governor to include one member of the Police Force nominated by the Commissioner of Police, one representative of the prostitution industry nominated by the Attorney-General and representatives of the Local Government Association and Ministers responsible for administering the Public and Environmental Health Act and the Community Welfare Act.

Subclause (3) stipulates that at least one member of the board must be a woman and one a man, while subclause (4) provides for the appointment of a presiding officer of the board by the Governor.

Clause 6 sets out the conditions of office for board members with a term not exceeding three years but with eligibility for reappointment.

Subclause (2) details a board member's removal from office by way of misconduct, neglect of duty, incompetence

or mental or physical incapacity to satisfactorily carry out duties.

Subclause (3) details how an office may become vacant if a member dies, is not reappointed, resigns or is removed in accordance with subclause (2).

Subclause (4) is the mechanism to fill a vacancy.

Clause 7 entitles board members to allowances and expenses as determined by the Governor.

Clause 8 lays out the procedure at meetings of the board to include the likes of chairing, quorum, voting entitlements, majority decisions and the accurate keeping of minutes.

Clause 9 sets out conditions for determining and dealing with conflicts of interest by board members, setting a penalty of a division 6 fine or division 6 imprisonment for non-disclosure by a board member.

Subclause (6) of clause 9 provides for a defence to a charge for the defendant to prove that at the time of the alleged offence the defendant was unaware of his or her interest in the matter.

Subclause (7) allows for decision that may have been affected by an undisclosed conflict of interest to be annulled by the Supreme Court following application by the board, the Minister or any person affected by the resolution or decision.

Clause 10 sets out the functions of the board which include determining licence applications, approval of managers, review, suspend or cancel licences and approvals where necessary or desirable.

The board may, in addition, investigate complaints, including complaints from prostitutes relating to the management of licensed brothels and to inform itself and report on the state of health of prostitutes and conditions of employment in brothels.

Clause 11 allows staffing allocations to be made to the board, subject to the Government Management and Employment Act and for the provision of a Registrar.

Clause 12 provides for the Registrar to keep a complete register on all particulars of granting, renewal, suspension or cancellation of licences to operate brothels and for similar records to be kept on approvals of managers.

Subclause (2) makes the inspection of the register open to the public for a prescribed fee or to authorised officers without fee.

Clause 13 makes the board accountable to the Minister by way of an annual report which must detail the administration of the Act, the state of health of prostitutes and the conditions of employment in brothels.

This report must be presented by the Minister to both Houses of Parliament.

Clause 14 means that where prostitution services are provided at an unlicensed brothel (not being a small brothel) any person involved in the operation or management of the brothel is guilty of an offence with penalties set between division 6 and division 5.

Clause 15 (1) stipulates that if a person other than a licensee has a direct or indirect interest in the operation of a brothel (not being a small brothel) that person is guilty of an offence.

However subclause (2) does not prevent a prostitute from having an interest in the operation of a brothel in which he or she provides prostitution services.

Clause 16 details the application procedure and the appeal process open to any person within 10 days from the date on which the application is last advertised.

Clause 17 sets out the conditions for the board to grant a licence, but providing the board with an absolute discretion to grant or refuse a licence.

Clause 18 allows automatic conditions to be attached to licences, such as the non-operation of brothels in restricted zones, which includes all residential areas and restricting the operation of brothels within 100 metres of schools, kindergartens and churches, and limiting interest in brothels to just one person, while at the same time providing for any additional condition to be attached as the board sees fit.

The board has the power to revoke or vary any conditions it sets on the granting of a licence and sets penalties for anyone who contravenes or fails to comply with conditions set by the board.

Clause 19 sets the effect and duration of a licence which makes licences personal to the licensee, non-transferable and remain in force for a period of three years from the date on which it was granted or renewed.

Clause 20 provides the board with the mechanism to suspend or cancel a licence if a licensee has been convicted of an offence against Division I Part V of the Controlled Substances Act 1984 or a corresponding law, an indictable offence punishable by imprisonment for 12 months or more or an offence against this Act, or if the brothel has been inadequately or improperly supervised or managed.

Clauses 21 and 22 set out the guidelines, procedures and penalties for approved managers of brothels along the same lines as those contained in procedures for licensees.

Clause 23 makes it an offence for brothels to be operating without a licensee or approved manager present, with the penalty level set at division 7 fine or imprisonment.

Clause 24 requires the holder of a licence or a certificate of approval to produce that licence or certificate for inspection if so required by an authorised officer, failure to do so attracts a division 8 fine.

Clause 25 details power of entry to brothels by authorized officers with subclause (1) enabling officers to enter and inspect at any time, while subclause (2) empowers officers to use reasonable force if entry to a brothel is refused or delayed.

Subclause (3) sets out penalty provisions for any person who prevents, or attempts to prevent, authorised officers from carrying out their duty; penalty division 6 fine or imprisonment.

Clause 26 covers child prostitution and related offences with a division 3 imprisonment penalty under subclause (1) for any person inducing a child to commit an act of prostitution or to have sexual relations with a prostitute.

Subclause (2) sets a division 1 imprisonment penalty for the use of coercion or undue influence in causing or inducing a child to commit an act of prostitution.

Subclauses (3) and (4) set a division 4 imprisonment penalty for any person who permits a child to enter or remain in a brothel for the purpose of committing an act of prostitution or having sexual relations with a prostitute, obtaining as a client the services of a child prostitute or making any payment or entering into any agreement for the purpose of obtaining as a client the services of a child prostitute.

Subclause (5) provides for a division 3 imprisonment for a person who obtains money in respect of acts of child prostitution or obtains money from a child, knowing it to have been derived from acts of prostitution committed by the child.

Clause 27 makes the employment of a child in a brothel in any capacity an offence, unless it is proved that at the time the defendant believed on reasonable grounds that the person employed was above the age of 18 years.

Clause 28 details unlawful inducements, which include coercion, undue influence, or obtaining proceeds by coer-

cion or undue influence, attracting a division 3 imprisonment.

Clause 29 makes street solicitation an offence, an act that applies equally to both prostitute and client.

Clause 30 sets out details of precautions against the transmission of disease based on taking reasonable precautions, including the mandatory use of condoms or any other conditions set out by regulation.

This clause applies equally to the prostitute and the client.

Clause 31 makes it an offence to permit prostitutes infected with sexually transmitted diseases to work in brothels, with the onus placed on the licensee or approved manager.

However subclause (2) provides a defence if in any proceedings it is established that the defendant believed on reasonable grounds that the prostitute had been undergoing regular medical checks in accordance with recommendations made by the State Health Commission.

Clause 32 gives details of advertising controls for brothels which include a complete prohibition on radio or television advertising, or in the case of a small brothel the publication of a telephone number only.

Signage is strictly limited to fixed structures, no portable signs, of licensed brothels only, containing no pictorial material, nor the words 'health', 'massage', 'masseur', or 'masseur'.

Each licensed brothel may only have one sign per brothel, limited to a square metre in size and if illuminated, then of unvarying intensity throughout the period of illumination.

Clauses 33-37 contain the miscellaneous elements of the Bill such as penalties for false or misleading information, confidentiality, protection from personal liability, proceedings for offences and regulations.

There is a schedule of consequential amendments to the Criminal Law Consolidation Act 1935 and the Summary Offences Act 1953 with an Appendix listing divisional penalties.

In concluding my remarks on the Bill, I indicate that a few changes have been made from the original draft. They are identified in a document that I have available for honourable members' assistance and I would be happy to make it available to them. I will take up two or three points. First, I refer to the situation of a residential complex. My amendment is an attempt to overcome criticism in the Goode report of the problem of potential aggregation of small brothels and brothels in clusters.

An amendment has specifically been included to enable working prostitutes to have an interest in the brothel in which they are working. Although in the original draft this was not intended, it would have meant that only one working prostitute could have had a pecuniary or direct interest in a brothel. Honourable members may recall that in my earlier comments on the Bill I was at great pains to stress that I believe that people working in the industry, for whatever reasons (and I make no judgment about it) should, as far as possible, be protected from being dominated and exploited. One way to do that is to enable them to have a direct control of and interest in the enterprise or brothel in which they are working.

With those concluding remarks I urge the Council seriously to consider this Bill. I am pleased that honourable members have the opportunity to cast a conscience vote. I ask them to regard the Bill as I have introduced it: not as a Bill for promoting prostitution but rather one for regulating prostitution, which we believe cannot be abolished in our community. It is a law reform measure that is long overdue in South Australia.

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

[Sitting suspended from 6.2 to 7.45 p.m.]

DIRECTOR OF PUBLIC PROSECUTIONS BILL

The Hon. C.J. SUMNER (Attorney-General) obtained leave and introduced a Bill for an Act to establish the Office of the Director of Public Prosecutions and for related purposes. Read a first time.

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

That this Bill be now read a second time.

This Bill provides for the establishment of the Office of Director of Public Prosecutions. The Director of Public Prosecutions will be a statutory appointment independent of direction or control by the Crown.

Criminal offences in South Australia are prosecuted at three levels of court—Magistrates Court, the District Court and the Supreme Court. Whilst police prosecutors handle most of the matters in the magistrates courts, Crown prosecutors prosecute all indictable offences in the higher courts together with a small number of the more serious commitments in the lower courts.

Developments in recent years in England, the Commonwealth and in States such as New South Wales, Victoria, ACT and Queensland have seen the creation, in each of those jurisdictions, of an Office of Director of Public Prosecutions as part of the development of an independent professional prosecution service. The creation of a statutory authority, headed by a Director, will mean that the office of the Director of Public Prosecutions is independent, and seen to be independent from political or ministerial influence or intervention and that the exercise of prosecutorial discretions is vested in an independent, professional office.

In January this year, Cabinet approved the establishment of an independent Office of Director of Public Prosecutions. This decision was reinforced in February 1991, when the National Crime Authority released its report on reference No. 2—Operation Hydra. In that report, the NCA recommended that a position of Director of Public Prosecutions for South Australia be created by statute.

The Bill, as introduced, provides for the Governor to appoint a Director of Public Prosecutions for a term of office not exceeding seven years. The Director is eligible for reappointment. Terms and conditions of appointment are determined by the Governor. In order to remove any potential conflict, the Director is required to inform the Attorney-General in writing of any direct or indirect pecuniary interest that the Director has or acquires in any business or any body corporate in Australia, or elsewhere.

The Bill establishes an Office of Director of Public Prosecutions. The office will consist of the Director, and persons assigned under the Government Management and Employment Act 1986 to the office. For administrative purposes such as personnel and accounting functions the office will remain as part of the Attorney-General's Department. However, in the exercise of its prosecutorial function, the office would be independent of the department and Government.

Clause 7 sets out the powers of the Director. The Director is given power to lay charges of, and prosecute, indictable or summary offences against the law. The Director is also empowered to take proceedings for or in relation to the confiscation of profits of crime; to grant immunity from prosecution; and to claim and enforce civil remedies that arise out of or are related to prosecutions commenced by the Director. The Director would also be able to enter a

nolle prosequi and to exercise appellate rights arising from prosecutions.

The Bill provides for the Attorney-General to transfer to the Director any powers or functions of the kind to which I have referred, or any power to consent to a prosecution vested in the Attorney-General by any Act. This will allow the Director to be given responsibility for a function even if an Act vests power in the Attorney-General. Whether to give the Director these powers will be decided after consideration of each piece of legislation. An examination is being undertaken of legislation which vests power in the Attorney-General, the Crown Prosecutor or the Crown Solicitor in relation to criminal matters. Where appropriate, amendments will be made to the legislation to assign the powers to the Director.

Clause 9 is a crucial provision of the Bill as it provides for the Director to be independent of direction or control by the Crown or any Minister or officer of the Crown, other than the Attorney-General. It provides that the Attorney-General may after consultation with the Director, give directions and furnish guidelines in relation to the carrying out of his or her official functions. Such directions are to be published in the Director's annual report which will be tabled in Parliament. Such directions may be in general terms or relate to particular cases. It is already a well established principle that the Attorney-General is not subject to direction by Cabinet in the exercise of these powers. Clause 9 does not alter this position.

The Bill provides for the Director to direct the Commissioner of Police to investigate matters and to issue directions and guidelines in relation to investigating or prosecuting offences. Once the office is established, it is envisaged that guidelines will be released which will provide the Director with clear guidelines for the making of various decisions which arise in respect of prosecutions. It will also allow the public to be made aware of the considerations upon which decisions are made.

This Bill sets out the powers of the Director of Public Prosecutions and the relationship of the Director with the Attorney-General. The Government believes that the time has now arrived for South Australia to adopt and embrace the concept and model of an independent Director of Public Prosecutions. I commend this Bill to honourable members. I seek leave to have the detailed explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clauses 1 and 2 are formal.

Clause 3 is an interpretation provision. 'Director' is defined as the Director of Public Prosecutions (or a person acting in the position of Director of Public Prosecutions) and 'office' is defined as the Office of the Director of Public Prosecutions.

Clause 4 establishes the position of Director of Public Prosecutions. The Director is to be appointed by the Governor and must be a legal practitioner of at least five years standing. The Director is to be appointed for a term of office not exceeding seven years. The Director is eligible for reappointment.

The Director is required to inform the Attorney-General in writing of any direct or indirect pecuniary interest that the Director has or acquires in any business, or in any body corporate carrying on a business, in Australia or elsewhere.

The Director must not engage in legal practice outside the duties of his or her office or engage, without the consent

of the Attorney-General, in any other remunerated employment.

The Governor may terminate the Director's appointment if the Director—

- (a) is guilty of misbehaviour;
 - (b) becomes physically or mentally incapable of carrying out official duties satisfactorily;
 - (c) becomes bankrupt or applies to take the benefit of a law for the relief of bankrupt or insolvent debtors;
 - (d) is absent, without leave of the Attorney-General for 14 consecutive days, or for 28 days in any period of 12 months;
- or
- (e) fails to comply with the obligation to inform the Attorney-General of pecuniary interests or engages in legal practice or other employment contrary to the clause.

The Director's appointment cannot be terminated except as provided above.

Clause 5 provides for the appointment by the Attorney-General of a person to act in the Director's position during a temporary absence or vacancy. The Acting Director must be a legal practitioner of at least five years standing.

Clause 6 establishes the Office of the Director of Public Prosecutions. The office is to consist of the Director of Public Prosecutions and any persons assigned under the Government Management and Employment Act 1986 to work in the office.

The clause also provides for delegation by the Director of powers or functions to any member of the staff of the office.

Clause 7 gives the Director the following powers:

- (a) to lay charges of indictable or summary offences against the law of the State;
- (b) to prosecute indictable or summary offences against the law of the State;
- (c) to claim and enforce, either on behalf of the Crown or other persons, civil remedies that arise out of, or are related to, prosecutions commenced by the Director;
- (d) to take proceedings for or in relation to the confiscation of profits of crime;
- (e) to enter a *nolle prosequi* or otherwise terminate a prosecution in appropriate cases;
- (f) to grant immunity from prosecution in appropriate cases;
- (g) to exercise appellate rights arising from proceedings of the kind referred to above;
- (h) to carry out any other function assigned to the Director by regulation;
- (i) to do anything incidental to the foregoing.

The clause provides that the Attorney-General may transfer any powers or functions of the kind referred to above, or any power to consent to prosecution, vested in the Attorney-General by an Act passed before the commencement of this Act to the Director by notice in the *Gazette*.

The clause also contains an evidentiary aid—an information or complaint apparently signed by the Director or a person authorised by the Director is, in the absence of proof to the contrary, to be taken to have been duly signed by or on behalf of the Director.

Clause 8 provides that the Director must, at the request of the Attorney-General, consult with the Attorney-General with respect to the exercise of the Director's powers or functions. The clause also contains a reciprocal provision with respect to consultation by the Attorney-General at the request of the Director.

Clause 9 provides that, subject to the clause, the Director is entirely independent of direction or control by the Crown or any Minister or officer of the Crown.

The clause provides for the giving of directions and guidelines by the Attorney-General to the Director in relation to the carrying out of his or her functions. The Attorney-General must consult with the Director before issuing any such directions or guidelines. The directions or guidelines must be published in the Director's annual report.

Clause 10 compels the Commissioner of Police to investigate any matter referred by the Director for investigation. The Commissioner must provide the Director with a report on the results of the investigation whenever required to do so by the Director and in any event as soon as practicable after completing the investigation.

Clause 11 provides for the giving of directions or guidelines by the Director to the Commissioner of Police or other persons investigating, or prosecuting, offences on behalf of the Crown. Any such directions or guidelines must be published in the Director's annual report.

Clause 12 provides for the preparation of an annual report by the Director and the tabling of the report in each House of Parliament.

Clause 13 provides general regulation-making power.

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

ADDRESS IN REPLY

Adjourned debate on motion for adoption.
(Continued from 20 August. Page 272.)

The Hon. R.R. ROBERTS: I rise to support the motion. I thank Dame Roma for the speech with which she opened the Parliament. I feel honoured, as I am sure other members of this Chamber do, to be a part of the historical occasion when we will be able to say to our children in years to come that we were in Parliament on the day that the first woman Governor opened a Parliament. I also join with Dame Roma and members of the Council in offering my condolences to the families of distinguished past members of the Parliament on the sad loss of their relatives.

When listening to the address made by Dame Roma, I was conscious of the content of the legislation that is to come before this place during this session. One of the things that I am particularly keen to look at in this session is what has been described as the rural crisis which faces the farming communities in South Australia. Much has been said by many people and it has been said in this Chamber and other Chambers, about the plight of farmers because of many things which have transpired in the past 18 months in particular and which are beyond the control of either the Government and/or the farmers.

There is no question that farmers are facing tough times today. They are in financial crisis, and many of them, unfortunately, over the next 12 to 18 months will not be in the farming industry. On this occasion I do not think anybody can condemn the operations of farmers. Many of these people have been caught up in a situation, as I said, which was beyond their control, and what they have done has not, in many cases, involved mismanagement. In fact, many of the farmers have indeed taken the best possible advice when they made their investment decisions, against the ruling world prices for commodities. The advice itself at the time was not wrong, either.

As I said, it has not been the fault of the Government nor of the farmers that some of the calamitous things have occurred in commodities markets around the world. I do not think anybody can blame the Government or farmers for the Russian situation developing as it has; nobody really anticipated the Iraq war; we did not realise that the EEC would set a floor price of \$155 a tonne for wheat; and there were many other decisions that impinge in a dramatic way on the farming community.

However, as I move around in rural areas I am encouraged by the resilience of farmers and their determination to help themselves. There is one other aspect of the rural crisis that does not get the sort of airplay that is given to the plight of farmers, and that is the plight of the people who live in rural towns and who work in small industries in those towns. In fact, this rural crisis is impinging on those people in a dramatic way. It is a fact that—

Members interjecting:

The PRESIDENT: Order!

The Hon. R.R. ROBERTS:—when the farmers go bad the rest of the community goes bad. Unfortunately, as I have observed in those areas, this is being compounded by something over which the Government has some control, and that is the provision of social services. In particular, I point to one area of services that is a matter of much concern to me and to people living on Yorke Peninsula. Over the years the operations of the Department for Community Welfare (now the Department for Family and Community Services) have been rationalised in that area. A few years ago we had an office of DCW at Port Victoria, one at Minlaton and one at Kadina. At a time when rural areas are in complete stress, a rationalisation occurred and the Port Victoria and Minlaton facilities were taken away and regionalised at Kadina. Everyone is aware of the facts of financial life in South Australia and, indeed, in Australia, but I am led to believe that what has happened recently is that that service will be regionalised back to Port Pirie. In my view this will have a dramatic effect on the provision of those services in that area.

I have taken up this matter with the Hon. Dr Hopgood, Minister of Health, who is responsible for these matters and I have expressed to him that it is my view that in the provision of these services there needs to be a bias in sparsely populated rural areas. It seems to me that these services are provided on a per capita basis, and I am amazed when I hear protestations from my colleagues in another place that some poor old lady had to go two and a half miles to get to a DCW office. Coming from a rural area, one cannot help laughing. In the case I have mentioned, if a farmer gets into a traumatic state in Port Victoria, it appears that he will contact Port Pirie. Those types of services are a one-to-one situation, and when there are 200 kilometres between the patient and the professional it seems fairly dramatic. So, I am doing my best to encourage my colleagues to support a bias, when the provision of these services is talked about in country areas, because the options for people living in country areas are far fewer than they are for people living in the metropolitan area.

For instance, in the provision of the PAT service and of isolated patients' assistance services, we find a situation where a constituent requiring specialist services in a country area has very little choice in whom he sees as his specialist. If he is in a situation where he does not have the financial capacity to get backwards and forwards under his own steam, the isolated patients' scheme provides that he is entitled only to the provision of those financial offsets if indeed he goes to the nearest practising specialist. That restricts the options, because the specialists are not very

thick on the ground in country areas. Therefore, one takes what is available or one misses out on the assistance that is normally provided.

If I may come back to the rural crisis for the time being, it seems fairly obvious that for too long in the past there has been a division in rural areas between farmers on the one hand and on the other, the 'townies', as they are often called, or the labour that works for industries in rural areas. It is fairly apparent to me that there needs to be a consultative reconstruction of the rural areas of South Australia. Just recently I had the very pleasing experience of attending a meeting in Ardrossan, which was convened by Mr Geoff Clift, the President of the Cooperative Bulk Handling Association. There were representatives there from the Australian Workers Union, from the Waterside Workers Union, from Cooperative Bulk Handling and from growers in the area of Ardrossan.

There in microcosm was what I see as the answer for us all in the rural situation. It was very pleasing to see that people could sit down in a cooperative way and try to construct a scenario which would secure on the one hand the support for the work force in that area and a cost-effective system of handling the grain harvest on the other. Obviously, benefits to the whole of the community come from that sort of cooperation.

However, I have come across another situation in those travels, which did not have that same happy scenario. The scenario is one that impinges on the sort of confrontation that has been inflicted on the New Zealand working classes and, in fact, it is now starting to impinge on the working conditions of the Australian Workers Union members in Australia. I refer to the shearing industry. What has happened is that, in many areas, some of the more short-sighted farmers in our State are taking to bargaining with New Zealand shearers. In their contributions other members have talked at length about the New Zealand experience. My colleagues, the Hons George Weatherill and Trevor Crothers, have both made submissions on the effects.

I do not want to go into any detail. Suffice to say that what has occurred is that New Zealand shearers are coming here to Australia and are negotiating less than award conditions to shear. The consequence of that is that Australian shearers are not being given jobs. What is happening is that New Zealand shearers are breaking down the hard-fought conditions won by Australian workers in one of the most arduous industries that I can think of. It needs to be pointed out that the conditions of those awards have been negotiated by employers' representatives and representatives of the Australian Workers Union and, indeed, are now being broken.

That is a worrying consequence to me, because it was at least lore in this country that every fourth stand in a shearing shed in this country was for a learner. In consequence of New Zealand shearers coming over here and taking over those positions, that lore has been put aside and, in consequence, fewer and fewer shearers will be available down the track. I would be urging all Governments to do what is possible to assist the preservation of working conditions for shearers in Australia and to assist the Australian workers unions in their endeavours to ensure that those conditions are upheld and in the long term that a better life is provided for the families of those shearers presently in the industry.

In her speech Dame Roma Mitchell touched on a number of other matters on which I do not wish to expand at great length tonight. One of the things I wanted to talk about was prostitution. As a Bill is now before the Council, I will reserve the comments I intended to make in respect of that matter until the debate on the Bill takes place. However,

there is one aspect of that that which I would like to touch on. It has been alleged not only by Mr Gilfillan but also by many other people in the community that the present prostitution legislation is discriminatory, in that generally it pings only the female or the provider, and not the recipient. In fact, I would support the notion that the discrimination ought to be taken out of the legislation and that it ought to ping both of them. If anybody here has any conscience about that, they will have to wear that themselves.

The other thing that is somewhat momentous in the history of South Australia is the proposition to introduce gaming machines. I have thought about that at some length and I am not certain that South Australia needs any more forms of gambling. However, political nous indicates very strongly to me that my view would be overrun, anyway, and I believe that the introduction of gaming machines will occur. It has also occurred to me that there will be somewhat of a social price to pay.

I have written to a number of councils in South Australia expressing the view that I believe that with the introduction of this particular form of gambling there will be a social consequence that will be borne, by and large, at least on the front line, by local government. I have put the following proposition on a number of occasions. I am pleased to see that Mr Plumridge of the Local Government Association is also saying similar things. I support the idea that a proportion of the profit from gaming machines be directed to local government for distribution on a site-specific basis. I believe that councils are in the best position to know the needs of their particular areas.

I believe that, with the introduction of gaming machines, small lotteries will go out of vogue and small fundraising organisations will lose their capacity to raise funds. It has been my experience, especially in country areas, that when those things occur the front line of attack seems to be local government. Local government is the first to be asked to provide relief. If it is not asked to make a direct contribution, it is asked to go guarantor for loans. I support very strongly that a particular percentage of any profits be allocated directly to local government and distributed by it.

I also do not believe that the provision of gaming machines should be restricted only to licensed premises, either clubs or pubs. I believe very strongly that there should be a licensing system. However, I also believe that licences should be such that they provide for people to justify to the Licensing Commission that they are a fit and proper person to run these things and can, in fact, police the stringent requirements that may be laid down in future legislation.

I believe that betting shops should be able to install gaming machines if they wish. It is already a controlled industry. In fact, Port Pirie has the only betting shops in South Australia and I believe that there is no reason why any one form of gambling ought not to be there. This discussion will go on for a long time. I was one of the people who supported the introduction of gaming machines in the casino. I did that not for illogical reasons, but because I believe that the casino was established specifically for gambling purposes and if one goes to the casino, one goes there to gamble. The form of gambling in that situation really does not make much difference. However, when we go out into the wider community, there are good and cogent reasons why the generated wealth from gambling ought to be put back into the local community and directed by it. In conclusion, I congratulate Dame Roma Mitchell for her conduct of the opening of Parliament and I look forward to seeing her in this place at the opening of many more Parliaments.

The Hon. J.F. STEFANI: I support the motion for the adoption of the Address in Reply. In so doing I commend Her Excellency Dame Roma Mitchell for her speech on the opening of this session of Parliament. I offer my condolences to the relatives of the recently deceased former members of Parliament. I want to address a number of issues and concerns.

During the 1989 election campaign Premier Bannon promised South Australians that if his Government was re-elected, Labor would create a period of flair and light and provide sound economic development for the future of our State. He also promised us sound economic management. Since that time, however, South Australians have not seen much flair or light, with thousands of jobs disappearing and the recession—which the Hawke-Keating Government said we had to have—destroying our living standards and the opportunity of employment for more than 830 000 Australians.

The current economic trends in South Australia indicate that hundreds of workers have been laid off, thousands more are at risk of losing their jobs, many South Australian companies are going to the wall, and a \$500 million loss is anticipated in farm earnings from wheat, barley and wool production as the rural sector slides into decline. High taxes and charges, including increased levies for WorkCover and payroll are placing many businesses under enormous pressure. Consumer and business confidence is at an all time low. The Bannon Administration is responsible for presiding over the most damaging and disastrous period of mismanagement and incompetence in our State's history. Losses amounting to billions of dollars and covering the operations of the State Bank, SGIC, WorkCover and the failed Scrimber project have become unaffordable mortgages in the lives of every South Australian and will remain so for many years to come.

Unfortunately, South Australian taxpayers have been called upon to pay for other mistakes by the Labor Government, which have involved an enormous waste of public money, in projects such as: the failed Marineland development, at \$7.6 million; the loss of investment in the New Zealand timber mill, at \$12 million; the write-down in value of the investment in 5AA, SAMCOR and the State Clothing Factory, at \$5.6 million; the loss of revenue at Tandanya Institute; and the lease payments for empty buildings, including holding costs for the South Australian property at Angas Street, at \$4.4 million.

Meanwhile, South Australia has become the inflation capital of Australia, with the highest rate of inflation and with more than 75 000 people, or 10.4 per cent of the work force, out of work. Youth unemployment has skyrocketed to 26.6 per cent. Surely Mr Bannon does not expect the community to believe that this is what he meant by 'flair and light' or 'sound economic management'. As we all know, Labor Governments throughout Australia are on the nose, as the average Australian family faces the recession with helpless despair.

The people of South Australia clearly realise that at the next election there are two choices: first, to continue with a Government that spits the dummy whenever there are hard decisions to be made and a Premier who behaves like a wimp or, secondly, to change the Government and expect the new Government to act in the interests of all South Australians with a capacity to face the real issues. If we settle for the first option and deny problems that have been with us for more than a decade and argue that we are in a recession, or a technical recession, because of outside influences, then we will become a third rate State.

On the other hand, the choice to change the Government will provide the opportunity to achieve some real progress in a real world, and in this context we can expect that a Liberal Government will decide what we have got wrong and fix it if possible, and continue to pursue and build on those things which we can do well, using the benefit and skills that are often inherited from the private enterprise system. If, in the process of pursuing economic development, we see increased competitiveness and productivity as the goal of structural change and micro-economic reform, it will be extremely important for us to remember that 'business, not countries, is the primary vehicle for industrial competitiveness'.

A Liberal Government will provide strong leadership in the commercial marketplaces, so that the domino effect which exists in Australia and which usually describes the downfalls to which we have become accustomed can be used to achieve an upturn in our economic performance. Simply put, if the macro-economic issues and big business can get it right, we could have a positive domino effect on micro-economics and medium to small business. Government has a role to play—yes, I believe it has. However, bureaucrats are often too far away from the marketplace and must get closer to business if a meaningful and supportive partnership is to exist.

We have numerous examples of the administrative nightmare that occurs when Government and its incompetent bureaucrats have little understanding of the burden they impose on business, and at State level we have the example of WorkCover, whilst at Federal level we have examples such as the tax file number and Cash Transaction Reporting Act. A recent study conducted by Westpac found that the implementation of regulations costs Australian industry \$34 billion to \$46 billion per annum. Imagine the impact this has on our international competitiveness and the costly unproductive use of resources. Australia and South Australia are at a crossroad and there has never been a greater need for stronger leadership and a more competent Government.

It is essential, however, that leaders and workers understand the different playing field which now exists in Australia. The 1980s was very much a period of economic growth. However, in the 1990s, in contrast, we have seen a contracting economy. This means that we, as a nation and as individuals, must have the preparedness to make the hard decisions. The 1980s was a period of consultation and consensus. I believe, however, that the 1990s will prove to be a period in which decision-making is far more directive.

I mentioned the domino effect previously, and I would like to expand on this in the context of how the economic slowdown has impacted on the business community: the most direct impact of the Government's tight monetary policy has been felt in the high interest rates which have prevailed; manufacturing output levels are declining; employment levels have tumbled; and domestic demand has declined with consumer confidence, reaching the lowest level since the early 1970s.

The strategy used by the Federal Labor Government was to reduce demand to take the pressure off imports in an endeavour to get the nation's current account deficit back to a more reasonable level. The impact for individuals has been a decline in the standards of living, while the dream of owning their own home is no longer a reality for many Australians.

Much has been said about the failure of our high profile entrepreneurs. This failure has been attributed to a number of factors: the October 1987 share market crash, the end of the property boom, the economy, and high interest rates,

have all played their part. The outcome for Australia, as a whole, is the major impact through a decline in overseas investor confidence. The reputation of Australia and Australian companies overseas has been severely damaged by the problems of some of these companies.

Potentially, foreign investment will be far more difficult to attract and will be more costly on the basis of greater risk. Certainly, many, many companies are finding the going a lot tougher at present, be they large, medium or small but I believe it is really a part of the overall reorganisation which is taking place within the Australian economy.

This process of reorganisation and the real changes which will flow from it will, I believe, come from business and soundly based management decisions which must be supported by appropriate Government initiative. The real issues which Australia's business leaders and Government must address are productivity, service quality and international competitiveness. To my mind, one of the major problems we face is one of attitudes amongst business, unions and workers and the relationships between these groups. What are we waiting for?

Fred Hilmer from the Australian Graduate School of Management said in his address to the National Seminar on Debt:

The average Australian workplace must improve productivity by 12 per cent per year for the next five years to match our overseas competitors.

Put simply, to match the competition, we must produce what we produce now with half the people or produce twice as much. The Council should think about that and the enormity of the task ahead of us.

Many Australian companies have already started—downsizing or rightsizing, rationalisation, restructuring to achieve flatter structures, reskilling of their workforce and introducing technological efficiency. This restructuring, while not necessarily pleasant for the casualties, is essential for Australia's ability to compete on the global trade scene. No longer can we be content to compete locally; we must compete internationally. Many Australian companies have effectively pursued strategies of wealth creation through speculative investment, of course aided by the real estate boom in the 1980s. The downturn in the business climate has demonstrated to many the inherent weaknesses of this type of strategy.

Many of these companies are effectively strapped for cash and therefore must shed assets and get back to core businesses. There is no finer example of that than SGIC. What is occurring is a reallocation of resources. The stark realisation that the only solution to failure or survival is to produce more—more efficiently and more profitably. A Liberal Government will be committed to creating greater opportunities for the reallocation of resources so that we can expect companies to be able to operate more efficiently in the export sector, in the export of physical goods and in the export of services and expansion of overseas markets such as is being achieved by Fauldings, Michells and in the medical and educational fields.

South Australia has many advantages to exploit. Our natural resources, our educational standards, and the relative quality of some of our services all give us a good basis on which to build an internationally competitive economy. Of course, we have some disadvantages which must be surmounted if we are to achieve success. We have a weak orientation to overseas markets. We are remote from most of our trading partners and are therefore heavily dependent on an efficient transport system and to this end we must restructure our waterfront system and have great waterfront reform to achieve more efficient transport.

In some areas we have high cost structures and a range of rigidities which make us uncompetitive internationally. We have a small domestic market and no guaranteed access to a large one. This means that, unlike the United States, on the one hand, and Canada or Belgium, for example, on the other, we have to achieve our prosperity through export in an open international trading system. Not only do we have to be better exporters, we also have to persuade the protectionists in other countries that free trade is the best system.

I believe that many South Australian companies are now really starting to look at other sectors, and there are some terrific opportunities for us to grasp. We must expand our tourism industry and seize the initiative and big export dollars which are available at an international level. What South Australia needs to do is to develop its competitiveness in a world economy right across the business spectrum. This means all our businesses—small, medium and large—must develop a more outward looking focus. Ultimately, they will need to be able to match the world's best to survive in a global economy.

We need management with the courage to implement change and strive for greater efficiency. It is management that must develop clear, long-term directions for industry. It is management which must make decisions about modernising equipment and plant. It is management that must take the lead in creating new relationships with the labour force, and we ought to look at no longer calling it industrial relations but rather employee relations. To support management we must formulate a clear and unified view of where we want to go as a State and develop a commitment to that goal.

We must have a South Australian approach to the rest of the world, to be able to compete against the rest of the world, for example, Japan to introduce our telephone directory, or our tourism in Victoria and Queensland. We are all in this boat together, and it is essential that we all understand the part we must play as individuals. There is a crying need for all politicians and business leaders not only to understand the real issues but to explain them clearly to the community in simple practical terms so that we can understand the part that each must play.

When we talk of macro economy, micro economic reform, restructuring, structural inefficiencies, etc., how many people in the community really know what we are talking about? It is essential for people to stop using jargon and start talking in simple language so that everyone can understand. Once people understand what must happen it will be much easier for an attitudinal and cultural change to take place in the workplace.

To achieve this, Government and management must acknowledge the importance of people and develop better communications and a more productive culture and team spirit in order to overcome our national resistance to change. Management and unions must agree and think about more flexible work practices and develop an approach to sharing responsibilities and results. We can learn much from the Asian culture and work ethic. I do not believe that any of the points I have raised are new. Effectively, we know what we must do. The present Bannon Government lacks the drive and the capacity to do it.

A Liberal Government will assist in achieving these goals by creating an environment which is supportive and conducive to change by continuing to foster the process of structural and micro economic reform to the fullest possible extent. As we approach the year 2000 and the twenty-first century, a Liberal Government will have the vision and the commitment to achieve a better future for all South Aus-

traliens, acknowledging the value of people and providing fairness and equity, integrity, enthusiasm and initiative to create a sense of achievement and involvement for us all.

The Hon. L.H. DAVIS: I join with my colleagues in supporting this motion. I was delighted when Her Excellency the Hon. Dame Roma Mitchell was appointed Governor of South Australia. It capped a brilliant career. Dame Roma was the first woman judge appointed to the Supreme Court of South Australia or indeed to any Supreme Court of Australia. She was Chancellor of the University of Adelaide immediately prior to her appointment as Governor. She had distinguished herself with her work for the community at large, assisting with charities such as Meals on Wheels. She had many years ago also been a lecturer in law at the University of Adelaide. I know because I was one of her students in family law at a time when my heart was often in another place.

It is not only a tribute to her pioneering spirit in so many ways but also a wonderful example of the contribution which can continue to be made to the community, even after the traditional retirement age. As I have remarked on more than one occasion in this place, Australia does not treat its ageing population as well as does, for example, the United States of America, where many citizens remain in positions of prominence in the corporate business sector or wider community long after the traditional retirement age. Certainly we have recognised the discrimination against the ageing with recent legislation to that effect. But for Dame Roma to take on the task of Governor at the age of 77 years is a tribute to the recognition of the contribution that people can continue to make. I hope that we see many other instances in coming years where the example of Dame Roma's appointment is followed.

I wish to speak tonight on a subject of increasing economic and social importance. I refer to the wine industry, which goes back many thousands of years; the history of wine goes back to Egypt and the East.

The Hon. J.C. Burdett: Back to Noah.

The Hon. L.H. DAVIS: Yes, back to Noah, as my colleague the Hon. John Burdett correctly interjects. The Greeks and Romans were fond of their wine and what were quite hideous mixtures in their day were often disguised with myrrh, rose leaves or even resin and pitch. It beggars the imagination to think what those wines tasted like. In the Dark and Middle Ages the monasteries used traditional methods of winegrowing. It was a simple world and there was little understanding of the process of winemaking.

In Australia winemaking began with the First Fleet. I will quote from a book entitled *The Wines, Vineyards and Vignerons of Australia*, written in 1966 by Andre Simon who states:

The first settlers to grow grapes and to make wine in Australia came from England where they were born either during the second half of the eighteenth century or at the beginning of the nineteenth, that is, at a time when port was rightly known as the Englishman's wine, when much red wine of high alcoholic strength and temptingly low in cost came from the Cape of Good Hope as the poor man's port, when Hamburg brandy, Hollands and rums were incredibly cheap. They were drunken times such as there had never been before and such as happily have never been known since. Claret, burgundy and champagne, also hocks and moselles, were the privilege of the rich and the great in the England of the pre-Victorian era, which is why the pioneers of the wine industry in Australia built distilleries as fast as they built wineries, and why there are even today more fortified wines made than table wines and a slightly greater tonnage of grapes used in the making of brandy and other spirits in the making of wine.

The history of wine in Australia dates back to the First Fleet and to Governor Phillip who led it to New South Wales in 1788. He called at Rio de Janeiro and the Cape

of Good Hope to take on supplies, which included vine cuttings and grape seeds. Those vines were planted near the site of the Botanical Gardens in Sydney, now known as Farm Cove. There was no knowledge of climatic conditions in Australia, which were vastly different from Europe, as were the soil conditions.

We have little evidence of what happened to those vines of 1788, but we do know that by 1791 Governor Phillip had succeeded in establishing three acres of vineyards some 12 miles away near the Parramatta River in conditions that were regarded as more favourable. That was his contribution to the wine industry of Australia before returning to England in 1792. The people who followed Governor Phillip were equally keen on establishing vineyards in the new colonies, and one of the most keen amateur vignerons of the early settlers was a person better known for other things—Captain John Macarthur—who had in 1815-16 visited vineyards in France, where he purchased cuttings to bring to Sydney. He was careful enough to recognise the differing conditions in New South Wales and specially selected cuttings that were likely to succeed in the colony of New South Wales. In 1825 the Australian Agricultural Company also ordered some vine cuttings. There is no record of what happened to them.

It was not until 1831, when a person by the name of James Busby came back from France and Spain with over 500 different varieties of grapes that we really got down to the business of developing a wine industry in Australia. Interestingly enough, the specimens that Busby brought back from France and Spain were planted in the Sydney Botanical Gardens, and later a group of citizens in Adelaide in 1840 followed the idea and imported collections of cuttings from the Cape of Good Hope. They were planted on the north bank of the Torrens River, quite close to what we now know as the Zoological Gardens.

Much has been written about the history of wine and about who grew the first commercial vines in South Australia, but I do not want to enter into that debate tonight. However, I will mention briefly the remarkable contribution made to our knowledge of grapegrowing and wine production in early South Australia by a Scot, Dr Alexander Charles Kelly. He was not only a doctor, but also an amateur scientist with an inquiring mind. A practising, practical vigneron and winemaker, he published two volumes, *The Vine in Australia* in 1861 and *Winegrowing in Australia* in 1867. In one of his books, Dr Kelly made the point:

Grapejuice contains a great variety of substances which exert a powerful influence on the fermentation of wine which no amount of human knowledge perhaps will ever perfectly comprehend.

The amateur scientist in Kelly was always to the fore, and he was emphatic for the use of science in the Australian vineyard, in the making of wine and in the storage of wine in the cellar. He was committed to assisting winegrowers in the colony. He wrote these two practical books as a winemaker familiar with grapegrowing and the process of making wine.

In these books which I have examined Dr Kelly discussed soil preparation, climate, soil, appropriate grape variety, pruning, vineyard management, preparation for the vineyard, fermentation, bottling, grape picking, crushing and cellaring. He quickly recognised that Australia's warm climate meant the ability to use smaller fermenting vats.

In fact, in 1851 he wrote from Morphett Vale asking the then Colonial Secretary, one Charles Sturt, for permission to purchase duty free brandy for fortifying wine from bonded stores. Even in those days the Government realised that a quid was to be made out of liquor, and Charles Sturt wrote back to Dr Kelly approving the purchase of brandy for

fortifying wine on the condition that Dr Kelly paid excise duty of a shilling a gallon for the brandy.

Sadly for Dr Kelly, the wine industry was exhibiting the characteristics with which we are not unfamiliar in today's wine industry. Dr Kelly, who wrote those two volumes in the 1860s, ironically in his opening paragraph of one of those volumes *Winegrowing in Australia*, stated:

Of all the productive industries of this colony, none are at the present time so depressed as winegrowing.

That was in 1867, and so it proved to be, because his winery, as I will recount, went into bankruptcy and was purchased by another wine company.

The Hon. Anne Levy: No assistance for small business.

The Hon. L.H. DAVIS: That was probably the problem. Perhaps I should follow that interesting history of Dr Kelly through because he had purchased a property of some 700 acres five miles to the north-east of McLaren Vale. He encouraged some of his friends to provide money for the purchase of this property and he called it Tintara. He formed the company, Tintara Vineyards. Sadly, as I have said, in 1873 Tintara Vineyards was bankrupt. It was a winery which specialised in making heavy burgundies which Dr Kelly had recommended to his patients for their health-giving properties. It was styled as a wine for heroes, but obviously there were not enough heroes to drink it. Interestingly enough, there was only one bidder for the bankrupt Tintara vineyard company, and that company was Thomas Hardy, which had been in the business of making wine for some little period before that. In 1853 they had purchased some acres on the River Torrens, within two miles of the City of Adelaide, and established a little vineyard called Bankside, which became quite a significant producer of wine. Tintara was added to it in 1873, so Dr Kelly's misfortune was Thomas Hardy's good fortune. In fact, by 1895 Thomas Hardy had become the largest South Australian winery.

The history of wine in South Australia is of particular interest. In 1849 George McEwin, a pioneer horticulturist, had the wisdom and foresight to recognise, 'that wine would become a source of great wealth to the colony, the climate and soil being ideal'. He believed that wine, and I again quote, 'rivalling the most famous growths of the old world will be produced in South Australia as soon as we gain the requisite knowledge and the practical experience necessary to success'.

Johann Menge, who was one of the earlier explorers in South Australia, was equally bullish about the prospects of the wine industry when he noted:

I am certain that we shall see the place flourish in vineyards and orchards and immense fields of corn throughout. It will furnish huge quantities of wine. It will yield timber for our towns, and superior stone and marble abounds for buildings.

That in fact was his commentary on a place now known as the Barossa Valley. The Barossa Valley in fact was misspelt. Colonel William Light, the first Surveyor-General of South Australia, who laid out the city of Adelaide and the city of Gawler, discovered the Barossa Valley, and recommended that it be named after that area in Spain known as Barrosa. Unfortunately, that later became misspelt on the maps of the colony. However, he led the party to discover the Barossa Valley, which is unarguably one of the great wine regions of Australia.

The man who must claim credit for the development of the Barossa Valley as a settlement was the father of the Barossa Valley, George Fife Angas, who settled in the valley and had the village of Angaston, initially Angas Town, named after him. He recognised that labour was needed for his orchards and he sought out people who had been persecuted for their religion, the Salesian Lutherans. They were

regarded by Angas as desirable, hardworking people, who would be a positive influence in the fledgling colony. He arranged for Pastor Kavel to bring out three boat loads of these German migrants from Salesia in 1838. That settlement, near Bethany, in 1842 was of course the first of many migrant settlements to come from a Salesian German background. Many of these people who settled in the Barossa Valley, turned to viticulture, and many household names today were from those early families who settled in the Barossa Valley.

Johann Gramp established Jacobs Creek in 1847, now the biggest selling table wine in Australia; Samuel Hoffmann settled in Tanunda in 1847 and Joseph Seppelt arrived from Germany in 1849 and settled in the Barossa in 1851 with the idea of growing tobacco. So, the history of the Barossa Valley is a fascinating one. In fact, it could be said that during the 1840s, more than 10 per cent of the people who settled in the Barossa were German migrants.

It is equally interesting to reflect on the history of some of those other areas. The Clare Valley for example, was settled in the very early days by the Jesuit Fathers who came from Austria in 1848 and established Seven Hill College vineyard and the Church of St Aloysius, which is still there today. As all members know, for many years the Jesuits have produced the sacramental wine for the church and have also had very distinctive and well accepted table wines.

In the Coonawarra, John Riddoch recognised that the remarkable strip of red soil in the Coonawarra just north of Penola was perfect for growing grapes and stone fruit, and he founded the Coonawarra Fruit Colony in 1890. In fact, it was such a popular area that by the end of the nineteenth century there were 800 acres of vines at Coonawarra. Then, at Langhorne Creek, Frank Potts established a vineyard in 1860 called Bleasdale, and that tradition continues. In Renmark, Berri, Waikerie and Loxton, enormous quantities of wine are produced from irrigated vineyards. Certainly, the history of wine in the Riverland does not go back as far in time—the Berri Co-op started only in 1918—but today the Riverland produces the most wine of any region in Australia.

Then, Buring and Sobels made their mark with the Quelltaler operation in the Clare Valley. It is interesting that Edward John Eyre in fact chose a site in the Clare Valley where Captain Horrocks settled in 1840 with a mountain behind him, which is now known as Mount Horrocks, and that vineyards were planted in that valley, called Springvale. That first vineyard, planted at Springvale in 1865, was the start of the Buring and Sobels partnership, when they bought the Springvale vineyard and developed it and gained a reputation for their wines from Quelltaler.

Then of course, arguably the greatest wine company of all in Australia in terms of size and distinction, is Penfolds. Dr Penfold migrated from England in 1844 and established the vineyard at Magill. He arrived at Largs Bay in August 1844. He had already purchased what was described by the *Register* of the day as 'the delightfully situated and truly valuable site of Mackgill at the sum of £1 200'. He became intensely interested in wine and planted more vines and made more and more wine. In fact, he gave up his medical practice to produce wine, which he sold to his patients for its therapeutic properties.

I have some nostalgia when I talk about Penfolds, because for the first 26 years of my life I lived in Hyland Terrace, which was named after the Penfold-Hyland family, just a few streets below the Magill estate of Penfolds.

After Dr Penfold died in 1870 at the age of 59 his widow carried on with the winery, increasing the winery to the

point that in 1881 the Penfold cellars at Magill had 107 000 gallons of wine, mostly fortified wine—port and sherry types—and that accounted for over one-third of all wine stocks in South Australia.

One of my enduring sadnesses is that again we did not grasp the moment when in the early 1980s the South Australian Government under John Bannon had an opportunity to acquire that historic Penfold Magill estate and turn it into a national wine museum. Members may recall my motion that was passed in this Chamber expressing disappointment and concern that the opportunity had been allowed to slip. Where else in the world could one go to see a magnificent—arguably, the most historic—vineyard in Australia, which could have been a wine museum and a tribute to Penfolds and the history of wine making in Australia's premier wine making State. And there was not only the history of wine but also a magnificent view of Colonel Light's Adelaide?

Of course, when one talks of Penfolds, one must talk of Penfold's Grange Hermitage. In an age when it is unfashionable to have heroes, one of my heroes is Max Schubert who, against the run of opinion in the 1950s, developed Penfold's Grange Hermitage, which stands unrivalled as the great Australian wine. The story goes that in the early 1950s Max Schubert and Jeffrey Penfold-Hyland went to Bordeaux. They examined with interest the effect of wood maturation on red wines and could see the potential that existed for similar wine in Australia. They recognised that with smaller barrels and with new wood, particularly oak, the intensity of the oak would be reflected in the wine. Whilst they examined cabernet sauvignon and shiraz as alternatives, my understanding is that, although some Grange Hermitages contain both cabernet sauvignon and shiraz, the preponderance of Grange has been of shiraz.

The Australian synonym for shiraz, in fact, is hermitage. So, the Grange hermitage from 1952 to the present day has created for Penfolds a deserved reputation as a winemaker of distinction and, of course, Max Schubert has a very special place in Australian winemaking history for his part in that.

The Australian wine industry has two major areas: wine grape growing and wine making. The contribution that the Australian wine industry makes to our economy is underestimated. Today the Australian wine industry comprises some 550 wineries, it employs over 5 000 Australians, it pays salary and wages of \$100 million, grapes are purchased from 4 500 private wine grapegrowers and the industry has an investment of \$1 billion in this country. Important, too, is the fact that wine companies, for the most part, are in Australian hands. They make contributions to Federal and State taxation of over \$400 million and they contribute an ever-increasing amount to Australia's export income. It is, I must say, an industry that has had very few handouts from Government. Over a period of time it increasingly has been hit by the Government, not only with taxation but also with the increasing regulations, which are so much a feature of modern society.

In addition, the Australian wine industry is a perfectly vertically integrated industry, from the grape growing through to the wine production, distribution and marketing of that wine. The gross value of grapes produced in Australia during 1988-89 was well over \$400 million and the majority of that was utilised for wine making. In fact, grape production represents some 30 per cent of all fruit production and about 2 per cent of the total value of Australian agricultural commodity production.

Then, of course, the next stage in the process of making wine is the manufacture of the wine—the processing of

grapes into wine. It requires high technology manufacturing skills and substantial capital investment, both in equipment for the manufacturing of wine and the storage of wine. Then, unlike some Australian exports that go out of the country untouched, such as wheat, barley and wool, Australian wine has a high value-added component. The grapes are converted into wine; they are then packaged and presented for sale in bottles or casks. Obviously, that has a multiplier effect in the economy—we are introducing packaging materials as well as marketing and transport. So, the Australian wine industry makes a significant contribution to the Australian economy.

If we look at some statistics in relation to the wine industry, it is interesting to see the importance of South Australia in wine making. In 1850 South Australia had only 282 acres of vines. By 1858 South Australia had more acres of vine under production than New South Wales, and from that time never lost the lead. It is interesting to see that the number of hectares under cultivation for grape vines at the moment is something like 60 000 hectares. That is only roughly double the figure at the turn of the century, some 90 years ago. It is also interesting to note that in the late 1920s and during the 1930s Australia was a prolific exporter of wine. It was exporting well over 20 per cent of its total production through groups such as the Emu Wine Company which principally exported to England. In fact, in 1936-37 there were 19 million litres of wine exported. That figure was unmatched in any year until 1986-87.

The great years in the Australian wine industry in terms of growth were, undoubtedly, 1965 through to 1980. In nine of those 15 years there was double digit growth in the sale of Australian wines. In fact, in the period from 1965-66 through to 1979-80 there was almost a quadrupling of sales of Australian wine.

South Australia, as I said, has always been a leader in Australian wine production, accounting for 27 per cent of Australian wine production in 1900, increasing to 57 per cent a decade later. It peaked at 80 per cent during the mid 1920s and then during the period after the Second World War through until about 1968 it accounted for about 70 per cent of Australian wine production. That figure has slowly decreased, until now we are producing about 56 per cent of Australian wine. The other major wine producers are New South Wales, which produces 27 per cent, and Victoria, which produces 16 per cent of the national total.

Finally in this statistical excursion into the wine industry, it is useful to look at the per capita consumption of spirits, wine, beer and alcohol in Australia. I seek leave to have inserted in *Hansard* a table, of a purely statistical nature, which sets out the per capita consumption of spirits, wine, beer and alcohol in Australia.

Leave granted.

Apparent Per Capita Consumption of Spirits, Wine, Beer and Absolute Alcohol in Australia

	Spirits (Ltrs Alcohol)	Wine (Ltrs)	Beer (Ltrs)	Absolute Alcohol (a) (Ltrs)
1964-65 ...	0.9	5.6	106.8	7.0
1965-66 ...	0.8	6.1	107.0	7.0
1966-67 ...	0.8	6.8	109.7	7.2
1967-68 ...	0.9	7.6	113.8	7.4
1968-69 ...	0.9	8.2	117.0	7.7
1969-70 ...	1.0	8.9	119.4	8.1
1970-71 ...	1.0	8.7	121.0	8.1
1971-72 ...	1.1	8.8	120.9	8.2
1972-73 ...	1.2	9.7	123.5	8.6
1973-74 ...	1.2	10.9	134.1	9.3
1974-75 ...	1.2	12.2	136.5	9.4
1975-76 ...	1.1	12.9	133.5	9.3

Apparent Per Capita Consumption of Spirits, Wine, Beer and Absolute Alcohol in Australia

	Spirits (Ltrs Alcohol)	Wine (Ltrs)	Beer (Ltrs)	Absolute Alcohol (a) (Ltrs)
1976-77 ...	1.3	13.5	134.1	9.6
1977-78 ...	1.3	14.2	134.8	9.7
1978-79 ...	1.1	16.4	130.8	9.5
1979-80 ...	1.0	17.2	132.3	9.6
1980-81 ...	1.1	18.2	129.3	9.6
1981-82 ...	1.2	19.1	128.6	9.8
1982-83 ...	1.2	19.7	121.7	9.4
1983-84 ...	1.1	20.4	117.8	9.4
1984-85 ...	1.2	21.3	114.5	8.9 (b)
1985-86 ...	1.2	21.6	115.5	9.0
1986-87 ...	1.2	21.0	111.3	8.7
1987-88 ...	1.2	20.6	110.8	8.7
1988-89 ...	1.3	19.1	113.2	8.5
1989-90 (p)	1.3	18.3	111.6	8.3

(a) Derived from ABS figures.

(b) The increased market share of 'low alcohol' beers and wines has led to a revision in the methodology of calculating litres of alcohol consumption. From 1984-85, alcohol consumption data will show the apparent decrease resulting from the inclusion of low alcoholic beverages.

(p) Preliminary.

Source: ABS Catalogue No. 4315.0.

The Hon. L.H. DAVIS: This table shows that in the period since 1964-65 through to 1985-86 we had a quadrupling in wine consumption per head, from 5.6 litres in 1965 to 21.6 litres in 1985-86. The consumption peaked at that figure and, in fact, it has now fallen back to 18.3 litres of wine per head.

So there has been a fall of some 15 per cent in per capita wine consumption in Australia over the past five years. It is also interesting to note from the table that there has been a steady decline in beer consumed per capita from the peak year of 1974-75, and consumption of spirits per capita has remained relatively steady in the period under discussion.

To be more specific about South Australia, this State has 144 wineries producing approximately 56 per cent of Australian wine and approximately 65 per cent of wine exported. The State's 130 small wineries produce only 20 per cent of South Australia's wine, but they have made an indelible impression on the standard of wine and have contributed significantly to tourism. It is difficult to put figures on the multiplier effects that the industry provides for employment because of the linkages with tourism, culture, and accommodation. However, we know that the industry is earning South Australia about \$570 million a year. The latest figures that I have obtained from the Australian Wine Institute suggest that wine exported from South Australia is worth at least \$110 million per year. In other words, we are now exporting approximately 20 per cent of the wine produced in South Australia, and this moves wine into the top 10 major export products for South Australia. That is a significant achievement.

There have been some dramatic changes in the Australian wine industry, particularly impacting on the industry in South Australia. The South Australian Brewing Company has confirmed its dominance in the Australian wine industry with the recent acquisition of the Penfolds group which, in itself, had purchased Lindemans relatively recently. The South Australian Brewing Company purchased Penfolds within the past year for \$375 million from Tooth & Co., a part of the embattled Adelaide Steamship Co. The Adelaide Steamship Co. had previously built up a wine empire with Penfolds, Lindemans, Wynn's and a number of other major brands. Therefore the SA Brewing Company, with its existing interest in Seppelts now, accounts for about 35 per cent

of the total wine market. Obviously, over time, that will provide the SA Brewing Company with a magnificent opportunity to develop a presence in the export markets of the world.

We have also had major developments with Orlando, where there was a management buy-out before French companies took up an interest. We have seen continuing developments with Thomas Hardy which, as I have mentioned, was the major South Australian wine maker nearly 100 years ago, and is still a major player in the Australian wine industry, now owning Stanley in the Clare Valley, Chateau Reynella, Houghtons in Western Australia, and Middlebrook, and earlier this year we saw Mildara Wines and Wolf Blass merge to create a new company which will have a turnover of approximately \$120 million.

So where does this put Australia in the world market? In world production terms Australia is very small. It ranks only fifteenth in terms of world wine production. It accounts for approximately 1.2 per cent of world wine production but, interestingly, with our growing presence in export markets we now account for 1.5 per cent of the total international export market, and that is improving all the time. For instance, only four years ago we supplied only .5 per cent of the total export markets of the world. In terms of consumption, Australia ranks eighteenth in the world for per capita consumption of wine.

Today the Australian Bureau of Statistics released figures for the sale of Australian wine and brandy by winemakers in the past financial year. The report states that, for the 11 month period ended May 1991, total wine exports increased by 45.6 per cent over the previous corresponding period. That is a very exciting figure, and in value terms it would suggest that wine exports for Australia will increase from about \$118 million in 1989-90 to \$170 million in 1990-91. With South Australia accounting for 65 per cent of total Australian wine exports, we can see that wine exports from South Australia are well over \$100 million.

It is just as well that there is growth in the export market. Those figures suggest that approximately 15 per cent of Australia's total wine production is being exported. In contrast, because, for the year ended 30 June 1991, total sales of Australian wine were 2.1 per cent below the sales recorded in 1989-90. In fact, domestic wine sales in Australia have declined over the past three years from the peak sale of 330.5 million litres recorded in 1987-88 to the figure for the financial year just ended of 294.4 million litres. That represents an 11 per cent decrease in the sale of wine within Australia over the past three years.

In the export market the figures are very exciting to see. It is one of the few exporting success stories in recent times. There has been a 29 per cent increase in exports to the United States of America for the 12 months ended July 1991, according to figures that I obtained recently from the Australian Wine and Brandy Corporation. North America (Canada and the United States of America taken together), accounts for 17.6 per cent of Australian exports.

The United Kingdom accounts for one-third of total wine exports from Australia and, remarkably, Jacobs Creek, that historic name which goes back to Johann Gramp in the 1840s, is the main seller in England. Indeed, I understand that Jacobs Creek in England outsells Jacobs Creek in Australia, which is a remarkable achievement given that Jacobs Creek white and red wines are the biggest selling individual table wines in Australia. The total of wine exports to all EEC countries is 36.9 per cent with the United Kingdom, as I have said, dominating. The total of wine exports to European countries outside the EEC is 21 per cent, with Sweden and Norway dominating that region. The figure for

the South-East Asia region is 2.3 per cent, with sales to Singapore doubling in the past 12 months.

Interestingly enough, North-East Asia, which includes Japan, China and Korea has had a 55 per cent increase over the past 12 months and that region accounts for 5.7 per cent of Australian exports. For the first time, there have been major exports of some significance into China.

The final region is Oceania, which accounts for 15.7 per cent of wine exports from Australia and here New Zealand dominates with a 34 per cent increase over the past 12 months. There has been a massive lift in exports of wine and it seems set to continue.

It is important to recognise the contribution that the wine industry makes in South Australia and the interaction between tourism, the arts and the wine industry has become more and more obvious in recent years.

For example, I attended a delightful art exhibition at Peter Lehmann's cellars in the past year. The accommodation springing up around the Barossa Valley, the Clare Valley, Coonawarra and the Adelaide Hills also bears testimony to the interaction between tourism and the wine industry. The personalities of the wine industry lend themselves to the promotion of South Australia. I refer to the characters of the Barossa Valley, including Peter Lehmann, big Bob McLean and Rocky O'Callaghan to name just a few; and the Adelaide Hills pioneer, Brian Croser, Greg Trott and Geoff Merrill, from McLaren Vale, Tim Knappstein, Jeffrey and Cate Grosset and Peter Barry in the Clare Valley, and, down in Coonawarra, Hollick, Redman and others who have made Coonawarra one of the great wine regions of Australia.

In conclusion, one matter that does concern me is the pressure by some elements in society to put the wine industry under siege. I do not believe the wine industry deserves some of the attacks that it has recently received. Certainly, the Australian Wine Foundation has conducted research which confirms what I would have thought instinctively was my view of the consumption of wine, namely, that wine is consumed both in bottle and cask form most often with a meal.

That is more true of wine than of any other alcohol. There is strong evidence that the wine industry in particular has recognised the importance of making a contribution to the health of the nation. It has formed the Alcohol Industry Consultative Council, which will be developing a strategy based on a national policy document program to arrest alcohol abuse in Australia. It has lobbied the Federal Government hard for support with this program, and I must say that I was rather surprised that the Government decided instead to refer the matter of wine advertising directly to the Media Council of Australia rather than consulting with the industry. That is a matter obviously on the agenda of the wine industry. However, I want to put in perspective the fact that the wine industry in South Australia has made an important contribution to the economy ever since our early settlers established the industry almost 150 years ago. Winemaking is a skill, an art and a science. It is an important contributor to the economy and is one of life's pleasures.

Increasingly, it is recognised as an important contributor to earning vital export dollars for Australia. The wine industry in South Australia deserves to be commended for the progress it has made in most difficult times, for the leadership it has given, more particularly since so few Federal or State Government dollars are directed toward the wine industry. It has been the initiative, the hard work and commitment of wine industry leaders which has ensured South Australia remains the premier State in the wine industry in Australia today.

The Hon. T.G. ROBERTS: I support the motion. I congratulate Her Excellency Dame Roma on her appointment and I would also like to pay tribute to the relatives of members of Parliament who have died since the last sitting. It is difficult for the relatives of members of Parliament to be acknowledged with any warmth if one does not know the family or the circumstances and, in my case, that is the situation with those members who have died. However, I do have much sympathy for the immediate relatives of members of Parliament because of the lives that many people have to lead in respect of people who are involved in politics being absent from home for so many long periods.

In this year, 1991, I would like to pay a tribute to the 100 years of the Australian Labor Party. The Party was born in Barceledene in 1891. It is generally acknowledged that the Party was formed under the Tree of Knowledge but, as we know, history tends to change events and circumstances around great events. In this case there was a long lead-up time to the formation of the Party. Many historical events finally led to the formation of a Party in all States that went on to be formed after federation into a Federal Party.

In the 1850s we saw the final abandonment of convict transportation to the eastern States of the Australian mainland and the passing of the Australian Colonies Government Act provided the opportunity, as well as the framework, for parliamentary democracy in the colonies. In 1851 the onslaught of the gold rush shaped a distinctive base for the Labor movement through migration and also provided the framework later for an industrial base.

This was the period in Australia of wages growth due to a shortage of labour, particularly away from the goldfields. The goldfields tended to attract many people from the rural industries. This period was dogged, as we are dogged at present, by recession. It was a difficult period for the pioneers in Australia to make ends meet. It was tough for people who migrated to Australia in those days to hold together in a society, without society itself breaking down.

There were periods when those difficulties turned into violent confrontation with authority, but generally those periods were times of cooperation and growth. Divisions started to appear that culminated in the goldfields disputes, particularly in Ballarat, and there was a period of confrontation with the authorities and bloodshed. Some would say that Australia's political base started to emerge through those struggles, mainly with immigrant miners under British colonial rule. Many contemporary writers recognise that Australia was developing into an egalitarian society with social mobility which had thrown off the sharp class and political divisions that were encouraged and entrenched in British society and, to this day, still are.

They are also recognising the special role of the working class who are confidently establishing parliamentary democracy without the obstinant oppression being displayed in Britain. The military confrontation and the ensuing battle on the Ballarat goldfields at the Eureka Stockade in 1854 laid the foundation for a vigorous participatory democracy and accelerated democratic changes to State constitutions. Chartists were able to build on the political climate emanating from the Eureka Stockade confrontation. They expanded their political base into the middle class with a broad coalition made possible by the common goal of altering the political balance of power, thus arresting the initiative from a narrow-based privileged class. In Australia at the time that was done both by a military class and by a privileged class based on capital and ownership.

Irish nationalists played a role of uniting the struggle against the entrenched privileged by highlighting the weak-

ness of the establishment. There was a strong republican movement in Australia at about that time. British-linked capital and conservative power were seen as the bulwarks against social and economic change being sought by Chartists. Irish participation in cities and country areas also raised the level of debate towards republicanism at that time. Australian trade unionism, modelled on Britain, brought benefits to a growing industrial rural base. It had not only an industrial charter but also a social and economic foundation. In addition, it looked not only at the evolving democracy formulating in Australia but also at overseas models such as those in Europe and America. It was at about this time that the American war of independence was being fought.

Marx and Engels, Henry George Fabian, George Bernard Shaw and other writers were subjected to broad debate within industrial and social political group honing and shaping models that would suit the Australian political climate. Socialism was the goal and the path to achieve it was hotly debated in pubs, clubs, homes, boarding houses, work places and unions. In 1856 the 'eight hour day' campaign was successful, after a long struggle both in Sydney and Melbourne, and was introduced widely. I am sure that some other members in this place have had a drink in the Clifton Hill Hotel where all the planning was done to organise the victory for the eight hour day in Melbourne.

In the ensuing downturns which occurred in the late 1880s, pressure was applied to the industrial sectors to return to longer hours. There was a tax on the conditions of workers and people in society generally during that time. It is not unlike today, where gains were made in better times and any attacks came from the conservative elements in society on those conditions that had been won. Although there were bursts of economic prosperity in short cycles in that period between 1860 and 1890, overall it was a difficult time for the emerging unions, which had to organise in periods when employment was generally a problem. It peaked at 13 per cent in 1878, although this was not typical for the period. During the short bursts of prosperity, generally consisting of three to six year cycles, unemployment rested between 6 per cent and 10 per cent. In 1855 skilled workers had their wage rates chopped by 40 to 50 per cent where they remained until 1872.

It is interesting to note that outwork was abolished by the Victorian Operative Bootmakers Union and the unions were amalgamating as a consequence to change the tactical response to union negotiations with employers. That is also a trend of the 1990s. Outwork is now being used more often, particularly in the rag trade and clothing industries. We are also now looking at the clerical area where women are being used quite a lot in working from their homes without the protection of awards and occupational health and safety provisions that go with working in organised labour. Legislation is being drawn up to try to solve the problems associated with outwork, but as soon as one strategy is developed legislatively employers seem to find another way to get around the legislation. We are now looking at individual contracts.

The years 1875-90 were substantially a period of growth and stability for Australian workers. Industrial action maintained workers' standards of living and confrontation was the order of the day. Unions evolved as a successful foil to employers' constant pressure to undermine standards. State trades halls and councils were formed during this period: in Melbourne, 1856-83; in Sydney, 1871; in Brisbane, 1883; in Hobart, 1883; and in Adelaide, 1884. The first Intercolonial Trades Hall Congress which allowed for a 'sharing and airing' of views from delegates representing all States

of the pre-Federation period, except Western Australia, took place in 1879.

Following a recommendation at the second Congress, Parliamentary committees were formed by the trades councils in the various colonies over the next few years. The purpose of these committees was not to promote class legislation so much as the provision of protective legislation for trade union structures and conditions for its members.

Legal recognition was sought by unions in all colonies, as was legislation to establish the eight hour day, to improve factory Acts, to promote protective tariffs, and so on. The tactic was to act as a pressure group on established parties and to promote active members of their organisations as endorsed Labor candidates. The results of these tactics were limited and it was not until after two bitter disputes and widespread strikes in the maritime and pastoral industry that the seeds were sown for the formation of an industrial-based Party in 1891.

During that period of struggle the unions felt that they had been betrayed by the legislators in their industrial struggle to gain an equitable share of the nation's wealth through struggling for an equitable share of wages and conditions. The maritime and pastoral industry strike was bitter and sometimes violent. The period was also noted for restructuring of the trade unions to reflect the emerging strength of the pastoral industries. The growth and labour-intensive nature of rural industries made it an important industry sector for providing employment and organising opportunities for new unionism. Rural Australian mateship traditions and poor conditions of employment in a sector which demanded hard physical labour made for loyal militant union members.

Emerging also was a class interest in politics shaped to some extent by both local and overseas experiences in challenging established authority. Labour organisations were concerned with wages of individuals within the organisations, allowing them physically to survive, and the broader issue of developing structures to challenge existing authority with new solutions to poverty, ignorance and early death were starting to be formulated. Socialism, collectivism and a confidence in their class through education to successfully intervene in derailing the authoritative methods were inevitable.

In 1890 the economic cycle had moved into recession. Newly merged unions took up an industrial struggle in an economic period which guaranteed its failure. Shippers and squatters were aware of the worsening economic conditions and stood up to the claims against them, knowing that these conditions and the climate in which the struggle was being carved out would assist them in starving the shearers and maritime workers back to their work.

The climate in which the formation of the Party took place bears some resemblance to the position in which we find ourselves in the 1990s. We have 10 per cent unemployment and perhaps moving even higher. The problems associated with the recession are deepening. We have an international crisis on our hands, and I must at this stage recognise the difficulties being faced by the Soviet Union and its people in their struggle. I also recognise the struggles of people internationally to try to come to terms with what could be called an international recession, bordering on an international depression as the new world order takes shape.

The new world order is unfortunately spreading a lot of pain through a lot of nations, as a lot of nations try to restructure their economies to the dictates of international capital. We have already had contributions from members on the other side of the Chamber, and I respect their con-

tributions in trying to come to terms with some of the problems outlined in the developing international difficulties within a recessed economy. I must say that the Hon. Jamie Irwin's enlightened view of law and order is a pleasure to hear. He has looked first hand at the home of international capital development, that is, America, and found that the American way of life is certainly not the perfect way of life and that a country's law and order is breaking down and certainly does not deliver a standard of living and security that one would expect by reading the international press. The problems associated with rising crime rates and breaking down of the social order in the United States do not seem to get as much attention as some of the problems that exist in other parts of the world and the difficulties being experienced with their economies.

The conservative reaction to solving the problems associated with recessed economies is unfortunately to move to attacking sitting targets instead of a cooperative view. I noticed the Leader of the Opposition in another place starting to talk about cooperative views and non-confrontational means of resolution settlement. I would have to agree with the rhetoric: if Australia is to get out situation that it is in, and if South Australia itself is to participate in a recovery, I would also throw out an appeal to members opposite to throw away their new right handbook on how to come to terms with the ills in society and collectively to work through the problems with solutions with which generally most people can agree. I think members on the other side of the House make good contributions in the confines of the select committee when they are away from the gazing eyes of the Party machine, and a lot of the contributions that are made are quite constructive.

There should be more of those sorts of solutions, where both sides of the House can look at a problem and come up with a solution. I am appealing to those with a humanitarian base to come up with a humanitarian solution that does not impact on those sitting targets about which I was speaking earlier. Unfortunately, the conservative reply to economic difficulty is to repress the shares of the spoils and to attack wages. If New Zealand is to be an example of what honourable members opposite see as a solution to the difficulties that Australia faces, I am afraid that is no solution.

The Hon. R.I. Lucas: What has happened to wages here over the past eight years?

The Hon. T.G. ROBERTS: The politics of New Zealand's solutions will backfire. Honourable members on this side of the Chamber who have made contributions have some concerns about where New Zealand is going, and I am sure it will come to a head with no final solution. I am afraid that the solution of the National Party over there is no solution at all. It will just lead to further difficulty.

The Hon. R.I. Lucas: David Lange started it all.

The Hon. T.G. ROBERTS: The honourable member asked what had happened to the share of wages.

The Hon. R.I. Lucas: Wages and profit shares over the past eight years.

The Hon. T.G. ROBERTS: In Australia there is a myth around that Australia's wage rates are high compared to those—

The Hon. R.I. Lucas: Wages have dropped.

The Hon. T.G. ROBERTS: Wage shares, in comparison with GDP, have dropped. They were supposed to go back to a greater share of profits, and those profits were then supposed to go back into investment. Unfortunately, the Hon. Mr Stefani did not raise in his contribution what happened to workers when they did make the sacrifice and turned part of their wage loss back into profits.

We then had a period between 1986 and 1989 that can only go down in Australia's history as being utterly and totally disgraceful. To some extent, the Federal Government has to take some blame for not introducing regulatory measures to prevent the excesses of capital, as it was in those times. We now have a country that has a huge hang-over from a Party to which many of us were not invited. We now have to clean up the bottles, throw out the ash trays and clear out the drunks, and we did not get any of the laughs. All the laughs are now shut away in the Bond and Skase offices. We had a—

The Hon. R.I. Lucas: Laurie Connell.

The Hon. T.G. ROBERTS: Laurie Connell had a lot of laughs at Australia's expense.

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. ROBERTS: There was John Elliott, Elders IXL. All these companies and all these entrepreneurs were given the responsibility of taking Australia into an internationalised economy, and they all let us down. Australia was let down not by workers and not by labour. It is a crisis not of labour but of capital. Unfortunately, we all have to pay. I do not think there is a member opposite who would agree that the excesses of capital were a good thing. I do not think they would support capitalism in the form that certainly failed Australia during that period.

Unfortunately, we are now experiencing the hang-over from that period, and it will take us some time before Australia, and South Australia particularly, get into a position of being able to deliver back to its residents and its constituents, its work force and its retired members the standards of living that they deserve. It is unfortunate, and it is a huge responsibility for each member of this Council to have to work through the problems associated with the hang-over that has been left by those people who have let us down so badly. I do not think it gets anybody—

The Hon. R.I. Lucas: Does that include Keating?

The Hon. T.G. ROBERTS: I think it does include Keating. It does not give anybody any pleasure on either side of the House, whether you are in Government or in Opposition, to be going into forums where you have to argue that the standards and the expectations of people out there in the community cannot be met because of the excesses basically of those people during those days.

The answer to the question that has kept emerging more rapidly in the past few months is that capital has learnt some lessons from the past six years and, yes, it is going to be more mature about its approach to raising its standards of activities. We do not need any more regulation. The Government should not be put in a position where it panics and then reregulates to solve some of the problems of excess that existed in those five or six years. I am not one of those who believes that: I believe that although some lessons have been learnt by some people too much pain has been experienced in the community by both large and small investors and by well-meaning financial institutions such as the State Bank and SGIC which in all good faith participated in a frenzied round of activity that left a lot of shareholders in very difficult circumstances.

A lot of people put in superannuation moneys and their savings. Many people wanted to retire with a nest egg but now do not have it. This happened not because those financial institutions were in any way philosophically remiss, but because some of the other people who were in control of the investment programs to which those organisations were attached soaked up the funds and did not return anything to Consolidated Revenue or into Australia's GDP. We ended up with property speculators and the markets soaking up

the funds. We did not have any investment funds left over for the manufacturing sector, and we are now paying the price.

We will have a very slow recovery. We cannot afford to reflate the economy too quickly, otherwise, we will end up with another round of inflation, which will put us in a position where we suck in far too many imports. We must set a manufacturing base, and that will take some time. At the moment, the Government is starting to come to terms with the problems. Although the first budget that has been set by the Hon. John Kerin is getting some criticism out in the community, it is starting to come to terms with some of those difficulties. I think that the budget strategy to keep the economy cool is not the right one; it is not the one I would prefer.

I think there has to be a reflation of the economy and there has to be a lowering of interest rates, but in the 100th year of the Labor Party the Government finds itself in a position where there are a lot of similarities between 1891 and 1991. However, Australians pulled together and got out of those difficulties and I am sure that, given the right circumstances and opportunities, we will do it again. The Opposition just does not have the policies at all to pull Australia out of its difficulties and, certainly, the imposition of a consumption tax will only exacerbate the problems. I think the attack will also be on labour, and I do not think that is a solution, either. I think that what will happen is that the community will reject the policies being put forward by the conservatives at both Federal and State levels and then it will be up to the conservatives to work constructively. It means being a constructive, rather than a destructive Opposition, and I look forward to some of that cooperation from the conservative forces in Australia to try to rebuild South Australia and Australia over the next decade.

The Hon. M.J. ELLIOTT: I rise to support the motion for the adoption of the Address in Reply to Her Excellency the Governor. I congratulate her on her appointment to high office and I extend my condolences to the relatives of the past members, the Hon. Dr Springett, the Hon. Mr O'Halloran Giles and the Hon. Mr Story.

In my contribution to the Address in Reply I have decided to concentrate on employment, or the lack of it, in this State, the shortfalls of the State Government's approach to dealing with it and the problems created for the States by the Federal Government. There is a real need for increased diversity, vitality and development in the economic life of South Australia and in this speech I intend to concentrate on the efforts of South Australians who are trying to address this issue and unemployment at a local level and some measures taken by communities overseas that have found themselves in a similar predicament, which could provide models for a greater commitment in South Australia to local economic development.

The unemployment figures released earlier this month from July revealed that 10.4 per cent of the South Australian work force was jobless, and registered as unemployed, while 9.8 per cent of the national work force is officially out of work. In South Australia there are officially about 72 000 people, including 26 600 teenagers, looking for employment. In reality many more may be unemployed. They have simply given up looking and are no longer registered with the authorities. The news from yesterday's budget papers paints an even bleaker picture with unemployment expected to rise at least one more per cent and it appears that in South Australia we may be looking at an unemployment rate of between 11 and 12 per cent.

At present the State economy is export-dependent and centred around a few major industries: primary agricultural production, automotive manufacturing and mining. It is clearly an economy based on resource exploitation, and its lack of diversification and reliance on export markets makes it exceedingly vulnerable to outside pressures. This has been made very clear recently through the effects of the Federal Government's deregulation push.

A large number of jobs are being lost in Australia through the downturn in world prices for agricultural commodities and the increasing foreign competition in both the primary produce sector and manufacturing, made even more pronounced with the progressive lowering of tariffs on imports into Australia. Efficient Australian primary producers and manufacturers are being asked to compete with their foreign counterparts, who operate under vastly different cost structures.

In Australia we have legislated wage structures, occupational health and safety requirements and environmental protection measures, just to name a few, which have been put in place by successive governments for the benefit of the people of Australia. However, now our producers are being told they must compete on a playing field where they still have to continue carrying those imposed costs, often against opponents who not have them.

Clearly, the Federal Government's current push towards free markets is not successful; it has done grave damage to our economy and will continue to do so unless there is a fairly rapid reversal of the trend. But I will not dwell on what the Federal Government has done; there will be other forums in which to explore that.

The State Government's responses to high unemployment and a slow economy has been an ongoing program of seeking out and encouraging private investment in what I call 'think big' projects. These include: the MFP; the submarine and other defence related projects; the petrochemical plant at Whyalla; and the proposed rare earths plant at Port Pirie. These responses are inappropriate to gaining long-term and far-reaching changes in the make-up of the State's economy and the participation of South Australians in it.

There are many reasons why I say this is so. The responses are imposed on the State from above the community level by government bureaucracy and private investors and often involve the importation of technology, finance and/or skills. This top-down approach is an insult to the communities for which the projects are planned, because their input into the process is limited, usually occurring after decisions about type of industry or siting of it have been made. This devalues in the minds of South Australians and their 'leaders' local skills and initiatives by ignoring them. Top-down solutions also miss the point that people make communities and build dynamic economies, not big projects.

Australia has its fair share of inventors. In fact, I believe that Australia produces more scientific papers per head of population and has more inventions per head of population than any other country. It has many small scale entrepreneurs and innovative business people. Unfortunately, we have not created an economic climate in which the potential of individual Australians can be realised.

We have in Australia a deregulated banking system which has gone, as John Spehr from the UTLC has put it, '... from lending binge to credit squeeze'. Financial institutions and big business have used capital speculatively, rather than productively, with little restraint over the past decade. And while this corporate raiding and quick profit-grabbing shifted large amounts of money around bank computers, homebuyers and small business investors were left paying higher and higher interest rates.

Decreasing amounts have been invested in research and development and little capital has been available for areas which are now becoming eminently tradeable, such as energy efficient technology. By reducing tariffs ahead of the rest of the world for manufactured and primary produce, we are prematurely exposing the country to unfair competition from overseas countries, where labour costs and conditions are far below Australian standards. Each of those is an issue in itself but together they have created a climate in which it is difficult for small initiatives and employment generating businesses to prosper.

Nevertheless, in 1988-89, 48.1 per cent of the South Australian and 47.7 per cent of the Australian work force is employed in small business. That is using the Bureau of Statistics definition of a small business as a manufacturing operation that employs less than 100 people and any other operation which has less than 20 employees. These businesses are, by their nature and size, usually locally owned keeping and spending the profits they make in the State, which in turn creates more employment.

The think big projects response of the Government is based on the mistaken belief that the bigger the better, and the bigger the benefits to the economy and State as a whole. It sees economic stagnation and lack of diversity and unemployment as short-term problems to be 'solved' by government. For many of those projects, once the initial construction phase is over, the employment offered is limited and often not that which utilises the skills base of the local community.

For example, once completed, the petrochemical plant planned for near Whyalla will employ only 400 people after requiring capital investment of \$1 300 million—and these jobs will largely be for specialist professionals, few of whom will come from the local population. Local control of the think big response is limited to business and government leaders with occasional input from the general community as a token concession. This process removes from the community responsibility and ownership of its future and well-being and places it, paternalistically, at the top.

Information is often carefully controlled by both the proponents of the industry in question and the Government as supporter of the project. Take once again the petrochemical plant. The information in the two public documents on the proposal was six months old before it was released for public scrutiny. Even recognising the need for commercial confidentiality to cover the details of the proposed plant, there is no reasonable excuse for the basic proposal and its siting not to be put before the public long before it was.

Having said that I think the response of this, and other Governments, in relying almost solely on big projects to reduce unemployment and diversify the economy is inappropriate. What is an appropriate course to take? The first issue which must be examined is what exactly is wanted from economic development. Economic development need not equal economic growth, because growth implies increasing and accelerating consumption of resources. Economic development is the ongoing pursuit of innovation and efficiency within a defined resource base. Economic development can be sustainable. Continuing economic growth is not, because resources are not infinite and the capacity of the environment to cope with the damage a growing economy generates is not infinite.

Measuring economic development cannot be done through the existing mechanisms of gross State product and gross national product. Both measure the throughput of effort and resources without regard for the outcome and existing stock. It also measures costs, especially social and environ-

mental costs, as benefits. The American economist Herman Daly put it this way:

We take the real costs of increasing gross national product as measured by the defensive expenditures incurred to protect ourselves from the unwanted side effects of production, and add these expenditures to gross national product rather than subtracting them . . .

Is the water table falling? Dig deeper wells, build bigger pumps and up goes gross national product! Build more expensive refineries to process lower grade ores, and up goes gross national product! Soil depleted? Produce more fertiliser, etc. etc.

As we press against the carrying capacity of our physical environment, these 'extra effort' and defensive expenditures (which are really costs masquerading as benefits) loom larger and larger. This creates the illusion of becoming better off when in actuality we are becoming worse off.

Perhaps that in part explains what has happened to Australia, and worldwide, over the past decade or two. If one looks at the GNP, the suggestion is that we are better off. Yet, most people look around and say that, indeed, they are not. It is quite possible that the gross national product figures are creating the very source of the difficulties that Herman Daly alluded to; that, in fact, the only thing increasing under GNP is the effort we are making to get less and less.

All of the think big projects that I have mentioned, put forward by this Government as 'solutions' in the State's economic problems, carry environmental risks, huge infrastructure development costs and are not sustainable in the long term. Although they will undoubtedly boost gross State product, they will decrease our resource stock and contribute to the processes outlined by Herman Daly.

There is, however, one approach to job creation and economic diversification being taken by community groups in South Australia, and worldwide, which has the potential to be environmentally and economically sustainable as well as equitable. This approach involves developing existing trends and activities and creating permanent jobs by harnessing the existing energy of communities, ingenuity of people and established infrastructure. The programs and methods by which this is undertaken are given many names. Local employment initiatives and community enterprise development are two of the more common. The advantages of this approach over think big programs is that it is community-based and driven and it has far more potential to aid the development of employment and business enterprises in areas which are beneficial for the long-term environmental and economic future of the State.

South Australian Unemployed Groups in Action Incorporated has defined enterprise development activity as:

... any activity which develops, or assists others to develop new business ventures for employment generation, income generation and/or training purposes.

In 1985, the Federal Department for Employment and Industrial Relations established a National Advisory Group on Local Employment Initiatives. The group was to provide advice on the potential of local employment initiatives as a viable option for permanent job creation in Australia. The foreword to the group's report says:

The establishment of NAGLEI reflected widespread concern about the continuing high levels of unemployment and growing interest by major groups in the community, including State and local governments, in exploring innovative means of creating new employment opportunities in local labour markets.

The group's establishment was tangible evidence of Government and community interest in exploring the potential for small-scale experimental job creation activities, initiated and controlled at the local level. Unfortunately, the report was shelved; no action has been taken on its 52 recommendations.

The group proposed a two-pronged program of support for local employment initiatives. First, a system of locally-

based, federally-funded intermediary organisations which would provide or facilitate business advice, support, monitoring and training for LEI enterprises and, secondly, provision of adequate and accessible finance for local employment initiatives by capturing private investment funds and channelling them into economically viable LEIs. The report says that any structure should recognise and build on existing efforts at job creation within communities and be flexible enough to be tailored to any community's aspirations and enterprise initiatives.

Despite the shelving of this report, efforts in the community development and enterprise development areas have increased considerably with the realisation that local efforts are an effective way to reduce unemployment levels by generating long-term employment. Local employment initiatives are bottom-up and people-centred where think big projects are top-down and profit-centred.

A recent inventory of local initiatives already underway in South Australia, supplied by Unemployed Groups in Action Inc. shows that considerable effort is being made by community-based groups in encouraging enterprise initiative. Some of this work is funded through programs run by DETAFE, but programs and agencies also receive assistance from local government, service clubs and industry groups. The services offered are training in business skills, assistance with financial management, planning and marketing and provision of low-cost managed workspace. Many involve people already in business giving up time and energy to assist unemployed people start up small ventures.

Last year in Auckland a conference of the Commonwealth Association for Local Action and Economic Development held its second conference entitled, 'Working for Common Wealth'. At the conference several schemes existing in Commonwealth countries were outlined. The Handsworth Employment Scheme Limited in Birmingham, as well as running Government-funded training programs, operates catering and conference facilities, manages a bakery, has purchased a cleaning franchise, a security firm, a building and construction firm, a furniture making plant and a computer training centre. In Glasgow, Scotland, the Possil Community Business was established in a community effort to combat the area's 60 per cent adult unemployment, high incidence of vandalism and drug-taking and unsafe and unattractive streets.

First off the mark was a group of women who created jobs for themselves by establishing a cleaning firm. Possil Community Business now also acts as a charitable holding company for a decorating firm and a security firm, which has public and private sector contracts throughout the Glasgow area. In the Scottish ex-mining town of West Calder, the local council has purchased a former bakery and stable yards and converted them into 44 workspaces for business start-ups. Enterprise and employment training has been a key component of each of these programs and some of the businesses established have been funded by share issues to local residents. More than 140 people now work in tenant businesses, contributing to the economic revival of the town.

John Pearce from Scotland has outlined four underlying principles to the concept of community business evidenced in the examples I have mentioned. Community businesses, and other community-based structures for economic development, give the people of that community the means of exerting some influence and control over their local economy. The ownership of the assets of the community business is vested in the members of the company who hold those assets in trust for the benefit of the community both in the present and for the future. While community businesses aim to be profitable, the profit they make is not

distributed to members or directors but is used for further investment locally, for community benefit projects and for bonus payments to workers. Social objectives have an importance which ranks alongside commercial objectives: commercial activity is a means to achieving not only a bottom line which shows a financial profit but one which can also show a social profit.

This is another example of those principles at work. In Londonderry, Northern Ireland, shares were sold at £1 each to raise money to buy land on which a supermarket, post office and corner shop were built. The businesses now employ 30 people and last year made a £600 000 surplus which was used as venture capital for small projects. Sinead McCrystal from Londonderry told the conference that an important part of the process was empowering the local community and getting them to believe the project would work and that they did have the ability to affect the future of their area.

The need for available capital for localised enterprise development and the need for community involvement in directing the future has been addressed by the Province of Saskatchewan in Canada. Their program of community bonds came to my attention during a study trip to the province last year. Established by Acts of the Saskatchewan Legislature, and guaranteed by the province, the bonds aim to facilitate the raising of local capital for investment in new community-based business opportunities or expansions. Money raised from bond sales is being used as equity to invest in projects, with the whole process overseen by local community bond corporations in which bondholders have voting rights as shareholders. The Government has undertaken to protect the full amount of the original investment to a maximum of \$50 000 (Canadian) or 10 per cent of the bond issue. Return on individual investment above the principal will be based on the success of the project. Bonds have a minimum five-year maturity date, but can be transferred after two years or transferred into shares.

In launching the program, Saskatchewan's Premier Grant Devine claimed the new strategy for the province's economy was the first of its kind anywhere. The province's Economic Diversification and Trade Minister, Grant Schmidt, said the bonds are one way the Government can act as a catalyst in strengthening local communities, diversifying the economy and creating opportunity. He said that through new projects, jobs and businesses the demand for local goods and services would increase and all sectors of the economy would benefit.

I believe that this model deserves further attention from South Australia. Economically, Saskatchewan is similar to South Australia. It is a state with some natural resources and minerals, but is primarily an agriculturally-based community some distance away from the major centres of population. I believe that the solutions at which they are looking deserve our attention in South Australia. These projects are being applied not just in the capital, but, more importantly, they are being looked at in regional centres which are suffering similar difficulties to those from which regional centres in South Australia are suffering.

The pressing need for economic development and diversification outside the metropolitan area, that is, in regional South Australia, was explained in a submission to the Government several months ago by the South Australian Regional Development Association. The submission called for increased resources from the State Government in the way of experienced officers to assist regions to identify and act on economic development opportunities. The response of Government showed a complete lack of comprehension of the work needed to revitalise regional economies and the importance of facilitating that work. Despite that response,

a new regionally-based training strategy has since been announced by Premier Bannon called KickStart.

With a grand announcement at a new metals industry training facility, the Premier outlined the new approach of allowing local communities some input into what training opportunities, provided with existing State and Federal Government programs, would benefit their local scene. The program also involves an element of enterprise development.

In a press statement issued at the launch, the Employment and Further Education Minister said:

We are saying to South Australian regions, 'You have the local knowledge, industry and community links and flexibility to plan your region's future jobs and skills needs. We will give you resources and assistance to get on with the job.'

I can only hope that this belated acknowledgment of the value of local input is the beginning of the end of the top down, think big, approach to solving our economic problems. The responsibility of Government is to diversify the economy and to create a climate in which the community which drives the economy can actually do so and prosper. This is done through facilitation mechanisms such as the one outlined by the Federal inquiry; the provision of appropriate infrastructure, such as cheap and efficient transport systems and service utilities; and consideration of small to

medium business, as major employers in the State, in the taxation and budgetary process. We need to make the effort to harness the potential that is already out there in the community, but doing so will not be a quick fix economic solution; it is a process of transition which will have long-term and lasting effects.

While we need to concede that many of our woes are brought upon us by the Federal Government and inappropriate deregulation and free trade policies, we in South Australia need to acknowledge that we can do far more. The think big approach of the State Government does not work. It is using considerable amounts of money and effort. If we put a great deal more of our effort into enterprise development at regional and community level, I believe that we shall make far more progress. I support the motion.

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

ADJOURNMENT

At 10.15 p.m. the Council adjourned until Thursday 22 August at 2.15 p.m.