LEGISLATIVE COUNCIL

Wednesday 28 August 1991

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

PETITION: SELF-DEFENCE

A petition signed by 384 residents of South Australia concerning the right of citizens to defend themselves on their own property and praying that the Council will support legislation allowing that action taken by a person at home in self-defence or in the apprehension of an intruder is exempt from prosecution for assault was presented by the Hon. Diana Laidlaw.

Petition received.

PETITION: PROSTITUTION

A petition signed by 58 residents of South Australia concerning prostitution in South Australia and praying that the Legislative Council will uphold the present laws against the exploitation of women by prostitution, and not decriminalise the trade in any way was presented by the Hon. I. Gilfillan.

Petition received.

QUESTIONS

EDUCATION CUTS

The Hon. R.I. LUCAS: I seek leave to make an explanation before asking the Minister representing the Minister of Education a question about education cuts.

Leave granted.

The Hon. R.I. LUCAS: I refer to an article in today's *Advertiser* detailing the plan to cut about 300 jobs from the Education Department's bureaucracy and in particular the comment attributed to the Minister of Education that 'the jobs to be targeted were mostly senior management positions'.

I have a sense of *deja vu* on this particular subject. Some members might recall that at about this time of the year back in 1986 similar proposals were floated by the Minister, who released his Back to Schools policy and announced that the Government planned to review more than half the department's 140 senior administrative positions with salaries of (then) between $35 000 and $58 000, which at the time was considerable remuneration. These officers were either to retire or to go back into schools.

However, 12 months after that announcement, we found that only four had been transferred back into a school and that some bureaucrats had had their positions axed but were immediately re-employed as consultants to perform virtually the same task. Even three years later, in October 1989 during the Estimates Committee debates, the Minister was forced to reveal that the Education Department was still paying the salaries of almost 30 per cent of these 'surplus public servants'.

There is considerable speculation in the community that time will show these figures of 300 positions to be axed and $14.7 million in savings as being very rubbery figures indeed. My questions to the Minister are:

1. Will he detail exactly which 300 positions in the Education Department are to be cut and what are the corresponding classifications and salary ranges for those individual reductions and, in particular, how many of them are senior management positions?

2. Will the Minister indicate the date on which each position identified in the 1986 Back to Schools policy was finally axed and when the Education Department finally stopped paying salaries for the persons who held those positions in 1986?

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

TRAVEL COMPENSATION FUND

The Hon. K.T. GRIFFIN: I seek leave to make an explanation before asking the Minister of Consumer Affairs a question about the Travel Compensation Fund.

Leave granted.

The Hon. K.T. GRIFFIN: The Minister of Consumer Affairs is reported today as saying that a number of options for widening the cover provided by the Travel Compensation Fund to protect prospective travellers against the collapse of airlines and tour operators are being considered at a meeting interstate today. Those options include a $1 per airline ticket levy. My discussions with travel agents indicate that the problem of lack of cover for travellers who have paid for tickets is much wider than relating only to airlines and tour operators.

It has been put to me that agents are concerned that most hire car firms, hotel chains, coachlines, cruise lines, wholesale operators and other providers of services to travellers are not covered by the Travel Compensation Fund and do not seem to be part of any consideration of protection for travellers. Relatively recently one case was drawn to my attention. That related to a bus line which had collapsed. It was operated through two companies, one being a member of the compensation fund and the other not. The company that collapsed was the non-member so the travellers were not compensated.

The problem has also been raised that some airlines overseas are not members of IATA, which is proposed to be the collection agent of any levy. The question raised in that context is: how will the levy be collected from those non-IATA members? Other questions have been raised. For example, who will collect any levy, how widely will it be imposed, how much will it add to travellers' costs and what benefits may flow to travellers and agents from any such levy? My questions are:

1. Are there yet any concrete proposals for amending the scope of and cover provided by the Travel Compensation Fund? If so, what are the proposals, and what will be the costs and benefits to travellers?

2. If there are no concrete proposals, what options are being considered, and what is the time frame within which decisions can be expected to be made?

The Hon. BARBARA WIESE: The matter of the Travel Compensation Fund and the coverage that is given to consumers when they travel within Australia is currently under consideration by Consumer Affairs Ministers nationally and also by representatives of the travel industry, in particular the Australian Federation of Travel Agents. The Travel Compensation Fund was established, if I recall correctly, in 1986. The concern is that the fund does not cover all aspects of travel. In particular, members of the travel industry are concerned that, in the event of one of Australia's airlines, for example, collapsing, consumers would not be covered

for any travel that they had booked or paid for. The Australian Federation of Travel Agents has suggested that one way to provide coverage would be a scheme whereby, say, $1 was added to the cost of airline tickets in Australia, which would provide a very substantial fund and which would allow coverage to be extended beyond that which currently exists.

At the moment, if a travel agency collapses, there is protection for consumers, but if the principal company, that is, an airline, a coach company or some other company involved in the transaction collapses, there is no protection for consumers. This is a serious matter, and Consumer Affairs Ministers are concerned about it. I am sure, too, that Tourism Ministers also are concerned about the matter and taking an interest in it.

At the last meeting of Consumer Affairs Ministers two things were decided. One was that South Australia would chair a working party, which will have representation on it from other States, to look at the general question of the Travel Compensation Fund, first, to review the progress that has been made with that fund since its establishment and whether or not the fund as it stands currently is adequate and, secondly, to consider whether there should be some extension of the fund to cover the issues that have now been raised by people in the travel industry. I, as the South Australian Minister responsible for the working party, and I believe the only Minister amongst the SCOCAM members who has dual responsibility for consumer affairs and tourism, was asked to contact my tourism colleagues in other States to seek their views on this matter.

The idea of a $1 levy on airline tickets, whilst it has some superficial attractions and certainly would provide a large amount of money relatively quickly, does have some problems not only in terms of the methods of collection and some of the issues to which the honourable member alluded but also with respect to the question of equity and whether or not it is reasonable that consumers, rather than members of the industry themselves, should be asked to bear that burden.

I believe that the Australian Federation of Travel Agents already has had significant and quite extensive discussions and negotiations with Australia's airline companies on this matter with a view to establishing some means by which their preferred method for dealing with this problem could be implemented. All those matters will be taken into consideration by the working party in the consultation period that will take place over the next few months.

I hope that by the end of the year, or perhaps early next year, that working party will be in a position to report to Consumer Affairs Ministers on the possible options for dealing with some of the problems that have been drawn to our attention by members of the industry. During the course of the honourable member's explanation he referred to an instance in Australia within the past couple of years when a large coach company failed. I point out to members that there was no detrimental long-term impact on consumers in this State because, through the good offices of the Consumer Affairs Department and with some assistance from Tourism South Australia and a strong support and cooperation of other coach companies that were operating in this State, it was possible to arrange alternative travel for all the consumers who were involved. That was a very satisfactory outcome in what otherwise would have been extremely difficult circumstances.

So, there are ways, on some occasions, for these matters to be handled without detriment to consumers, but we cannot be sure that that will be the case in all possible and potential instances. I think that Consumer Affairs Ministers, in particular, would feel much happier if there was in place a scheme that provided coverage for consumers in the instances to which I have referred.

REGIONAL ARTS REVIEW

The Hon. DIANA LAIDLAW: I seek leave to make an explanation before asking the Minister for the Arts and Cultural Heritage a question about the regional arts review.

Leave granted.

The Hon. DIANA LAIDLAW: On 1 July the Chief Executive Officer of the Department for the Arts and Cultural Heritage, Ms Dunn, announced a review of regional arts development in South Australia as part of a State-wide review of the arts, apparently prompted by concern about the impact of the State's financial problems on the arts budget. The review committee's terms of reference are far reaching and include 'the role of local government in regional arts development and its relationship with the organisations responsible for these programs'.

Local councils in regional South Australia are agitated about the impact and implications of this review for their respective councils and ratepayers. They argue, and for good reason, that this proposal to transfer responsibilities to local councils at a time when rural councils are facing unprecedented financial difficulties is unacceptable and unworkable. The Local Government Association shares these concerns, with members alarmed by what they regard as a further attempt by this Government to pass on to local government the costs associated with running arts programs initially established by the State Government. This alarm is reinforced by the fact that the review is being conducted outside the negotiating process agreed between the Premier and the LGA last year for the transfer of State responsibilities to local government.

Also, I can inform the Minister that I have been contacted by people living in the country who are concerned that the services provided by the four cultural trusts will be threatened by the review—services which are valuable and reach a wide and appreciative audience within each area. These concerns stem in part from the fact that the Department for the Arts and Cultural Heritage is not prepared to provide the centres with advice of their operating budget for this financial year until the conclusion of the review process in October. This decision of course makes it impossible for any of the trusts to make any short-term, let alone medium or long-term, planning commitments. I ask the Minister:

1. Considering the implications of the review for local government, why is local government not directly represented on the four person review panel, and the review panel merely includes Mr Johnson, Chairman of the Grants Commission?

2. As there is a strong suspicion in local government circles that the Minister and/or the Government she represents has a hidden agenda to transfer costs and responsibilities for regional arts from State to local government, has the Minister provided the review committee with a base funding figure that the Government is prepared to commit to the long-term development of regional art in South Australia?

3. If it is determined that local government in regional South Australia does not have the funds to accept greater responsibility for the operation of the four cultural trusts, is the Minister willing to give an assurance that the future viability of the four cultural centres will not be undermined by cuts in State Government funding?

The Hon. ANNE LEVY: What a farrago of misinformation and paranoia.

The Hon. Diana Laidlaw: Are you accusing local government of paranoia?

The PRESIDENT: Order!

Members interjecting:

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

The Hon. ANNE LEVY: Thank you, Mr President. The review was announced nearly two months ago, as the honourable member said, and there has been considerable discussion about it since that time. As the honourable member said, it is part of a wide-ranging and timely review not just of the regional cultural trusts but of all the statutory authorities and divisions of the Department for the Arts and Cultural Heritage. Many of these organisations have not been reviewed for many years, and apart from that—

The Hon. Diana Laidlaw interjecting:

The Hon. ANNE LEVY: I didn't say they weren't.

The Hon. Diana Laidlaw: I thought I would put it on the record.

The Hon. ANNE LEVY: You don't need to.

Members interjecting:

The PRESIDENT: Order! The honourable Minister.

The Hon. ANNE LEVY: It is timely to have a review, particularly in the light of the current economic circumstances and my concern that, if there was to be belt-tightening, organisations would react by cutting programs rather than cutting administration and overheads. My concern has been that arts programs, which are the product that reaches the community, should not suffer in any way, and that necessary restraints should occur in areas which do not affect the product that reaches the public.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The Hon. Ms Laidlaw asked her question in silence. If she gets her answer in silence, it would be much appreciated.

The Hon. ANNE LEVY: Thank you, Mr President. The review was set up with wide terms of reference, one of which the honourable member has quoted. I can assure members that that is only one of five terms of reference. The first is:

> To examine, report and, where appropriate, make recommendations on the current range of regional arts activities and related programs supported by the South Australian Government, including their costs and cultural implications.

Another term of reference relates to:

> . . . the effectiveness of the structural and management arrangements of the organisations responsible for regional arts activities.

Another relates to:

> . . . improving the cost effectiveness of regional arts activities, in particular, options for rationalising the structure, management and staffing of the organisations concerned to achieve a more efficient service delivery.

As I am sure the honourable member can see, these terms of reference relate particularly to the administration, management and staffing of the cultural trusts with, as I say, the aim of in no way affecting the arts product, which is what the community relies on. It is not true to say that this review is bypassing the negotiation process with local government.

The Hon. Diana Laidlaw: Ask the Local Government Association.

The PRESIDENT: Order!

The Hon. ANNE LEVY: She can't control herself, Mr President. It is not true to say that the negotiation process is being bypassed. The review committee, which has four members, as indicated by the honourable member, will be contacting the Local Government Association and has promised to have discussions with it on this matter. It will be up to the Local Government Association whether the discussions occur solely with the LGA or whether the review team has discussions with the local councils situated in the areas where the regional cultural trusts are situated. That will be a matter for discussion between the review team and the Local Government Association.

The review team has not had discussions yet, because it has called for submissions and the date for receiving submissions has not yet arrived. Until it receives its submissions, obviously it cannot proceed with considering them and starting appropriate discussions as a result of those submissions. It is very much nonsense to say that no-one on the review team is associated with local government.

One of the four members is Mr Gordon Johnson, who is extremely well known in local government circles. He is currently Chair of the Local Government Grants Commission, in which capacity he has associations and constant contact with all of the 120 councils in this State. He is a past President of the Local Government Association, a long-time member of his own district council, and he is also currently a member of the Riverland Cultural Trust. I can think of nobody better to bring together the twin interests of local government and the cultural trusts in this State. He has my complete confidence, and any suggestion that the honourable member is trying to make that he is not an appropriate person for this review are to be much deplored. It is an outrageous attack on Mr Johnson to suggest that he is not a fit and proper person to be a member of this Review Committee.

The Hon. G. Weatherill: That's disgusting, isn't it?

The Hon. ANNE LEVY: It is absolutely disgusting, Mr President, the way people opposite come in here and cast aspersions on people who are not able to answer back in their own defence—people who are highly respected in this community. Members come in here and make these baseless accusations, destroying the reputation of honourable citizens in this State.

As the honourable member indicated, one of the terms of reference talks about the role of local government in regional arts development and its relationship with the organisations responsible for these programs. Those words do not indicate to me transfer of responsibility for regional cultural trusts to local councils, and I can only suggest that anyone who tries to read that into it has a very severe case of paranoia. The role of local government in regional arts development is considerable, and has been for many years. The Australia Council has published an extensive report on the role in arts of local government in this country, and details activities and expenditure of local government in arts related activities from one end of the country to the other, dealing with all 931 councils that we have in this country. I may be incorrect about that figure, but it is certainly over 900.

Obviously, this review wishes to look at the role of local government in the specific regions covered by the regional cultural trusts, and the relationship between local government and the cultural trusts.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: The Opposition is now complaining that I am taking too long to answer this very important question. If they are concerned about the time taken, may I suggest that, if they were to cease interrrupting, I might be able to answer what is a very important question.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: There obviously is a relationship between local government and the cultural trusts in some of the areas which are covered by the regional cultural trusts.

There are members of council in each area who are members of the cultural trusts. There are officers of councils who are members of the cultural trust. There is obviously scope for a close relationship between local government and the cultural trusts.

The review team is to look at the existing relationship and to see whether this relationship can be strengthened for the benefit of the communities which both are serving. Local government is very close to the communities it serves. The regional cultural trusts also are close and responsive to the arts needs of the regions which they serve. A close relationship between local government and the regional cultural trusts can only be of benefit to the communities which both are serving and to which both are responsive.

A relationship may or may not include money. It is quite possible for there to be associations and mutual help and assistance which may be in the nature of assistance in kind rather than money. It is complete nonsense for members opposite to take the paranoid view that the cultural trusts are to be devolved entirely as a responsibility for local government. That has never been suggested by me or anyone else who would know anything about it and it is certainly not one of the terms of reference of the review committee. I trust that this answer, though lengthy, has put paid to that nonsense which seems to emanate from members opposite.

DIRECTOR OF FISHERIES

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 about the Director of Fisheries.

Leave granted.

The Hon. M.J. ELLIOTT: Last week, when asking a question about the Department of Fisheries, I made the comment that many cases of inappropriate behaviour in the Department of Fisheries had been brought to my attention—more than in any other department. I have another example of that today.

I have a letter from the Port Macdonnell Professional Fishermen's Association which, on 12 August, passed an overwhelming vote of no confidence in the Director of Fisheries. Apparently, the fishermen in the southern zone rock lobster area had just received a letter which contained an ultimatum to accept either a 20 per cent reduction in pot numbers at the commencement of the 1991-92 season or continuation of the buy-back scheme beyond 1994 and that failure to agree on either of those options would see the implementation of a catch quota for the 1991-92 season. They saw that as a very clear threat.

Referring to the South Australian Fisheries Industry Council (SAFIC) meeting on 26 July 1991, I quote from the letter:

> . . . in answer to a specific question put to you by the President of the South-East Professional Fishermen's Association (Mr J. Atkinson), concerning implementation of any further rationalisation measures in the SRLZ for the 1991-92 season, your response was (and corroborated by the SAFIC minutes) that as far as you know there were no plans in the 'pipeline' and that in any case, none would be implemented without the agreement of fishermen.

With the Minister saying one thing and the Director, by way of correspondence, saying something different, the fishermen from the southern zone rock lobster area ask whom are they to believe. They also state in their letter:

> This is not the first time the Fisheries Department have supplied false and misleading advice to fishermen.
>
> In 1988 there was explicit advice supplied (documented) to SRLZ, licence-holders of the liability for any licence-holder selling out after the buying out period in 1989, when transferability was restored, to be responsible for the future payments of the 'buy-back' scheme (in a lump sum before the transfer was effective).
>
> Clearly, this false advice was intended to stampede people to sell out to the scheme under duress, and it was only in response to a specific question whether these people would or should get an interest rebate for a lump sum settlement that advice was then supplied that the Rationalisation Act was indeed changed at the request of the select committee of inquiry to allow the new purchaser of the licence to be responsible for the future payments when the Act was proclaimed in September 1987; that is, the debt remained on the licence.
>
> This is the latest attempt to stampede licence-holders into a futures (or 'put' option) into their fishery, when no biological evidence or data has been provided or supplied to fishermen of a further need to restructure the fishery, especially when there has not been the necessary research to make any predictions on future catch levels.
>
> Because licence-holders are only a little more than halfway through the existing 'buy-back' scheme, they are not in a position to judge whether it has been effective (due to increasing Government charges), let alone commit themselves further to what would have to be a vastly more costly scheme (due to higher pot prices), or to any other measure which would dispossess them of the property in their licences; for example, can or would the Government be prepared to forecast the level of profitability of the State Bank in 1994?

That seemed a fair question for the fishermen to ask. The immediate concern that fishermen now have, after they feel they were misled in relation to current proposals for their fishery, is that a draft amendment to the Fisheries Act is now being circulated and in section 37 greater powers will be bestowed on the Director. Quite clearly, they have just passed motions of no confidence in the Director in relation to the way he is using his existing powers. The Director would be in a position to change licence conditions in such a way as to render a licence useless. When this is considered along with the Director's letter of 30 July 1991, it has horrific implications and will cause fishermen to fear for their continued existence and ability to remain viable. I ask the Minister: is it still the intention of the Government to amend section 37 of the Fisheries Act to bestow greater powers on the Director?

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

GROUND WATER QUOTAS

The Hon. R.J. RITSON: I seek leave to make a brief explanation before asking the Minister representing the Minister of Water Resources a question about ground water quotas.

Leave granted.

The Hon. R.J. RITSON: As most members now realise, the Government has recently increased charges and introduced new charges in relation to the use of ground water (these charges being collectively known as the windmill tax) and they fall, of course, most heavily upon the farming community which is already burdened with most difficult economic conditions.

Last week a constituent approached me and informed me that he has some irrigation bores and a water quota on his property; that he has not used his full water quota in recent years; and that the Government has somehow arbitrarily and massively reduced his quota to about the level of his historical use. This is stupid and it is heartless. It is stupid because it sends a signal to everyone else with a quota that henceforth they had better use it all, whether or not they need it, and the word around is that, if you do not need to use it all, you must leave your pumps running day and night and get through it, lest this sort of action be taken in future.

It is heartless because, when those properties change hands, the quota, intangible though it is, contributes very significantly to the capital value of the land and farmers who are treated in this way will have the capital value very significantly reduced by administrative action and it is in fact equally unjust as a retrospective fine. I ask the Minister why did she condone such a stupid and heartless action? Is this the way that the State Government expresses sympathy for the rural crisis? In particular, will the Minister have the issue reassessed and pay personal attention to it rather than merely inviting officers to draft an answer in self-defence and, if she honestly comes to a belief that this is a most inappropriate thing to have taken place, will she have the courage to reverse the decision?

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

FEEDLOTTING

The Hon. R.R. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Local Government Relations a question about feedlotting in the Clare Valley.

Leave granted.

The Hon. R.R. ROBERTS: This morning I received reports from constituents in the Clare Valley following a meeting held last night by residents who are upset at the operations of a feedlotting property near Clare. They are concerned particularly about the 'environmental pollution', as they put it, that is being caused by that feedlot operation. On behalf of my constituents—and I must say that I am not familiar with feedlotting practices myself—my questions are: is the Minister for Local Government Relations aware of the feedlot operation near Clare and, if so, does she know whether it has received council approval?

The Hon. ANNE LEVY: This matter has been brought to my attention. I have been informed that the Muanu intensive cattle feedlot, which is owned by Mr Bob Rowe, has not received council approval, although it has been operating for about two years. I understand that the Clare council is seeking advice from relevant agencies as to what steps it should take. It will then consider an application for planning approval, which it has requested and received from the owner.

Clare council has been consulting with, amongst others, the Department of Agriculture and the Department of Environment and Planning. Before considering the application for planning approval, the council will have to advertise locally that it is considering this planning application, and the application will have to be made available for local residents to see and comment on—which, I understand, they are not able to do at the moment. Of course, if the council does approve the planning application, those people who have formerly objected will have the right to appeal to the Planning Appeal Tribunal, if they are not happy with the decision made by the council.

The Minister for Environment and Planning also has informed me that the feedlot will have to comply with the requirements set out under the Clean Air Act. I have received letters of complaint from local residents about the feedlot, and I understand that Clare council, as well as the Department of Environment and Planning, has also received numerous complaints. In this situation, it is the local council that is the planning authority and, as such, any complaints about development should be directed to the council. I did see a report from the Department of Environment and Planning, which informed me that the cattle feedlot commenced illegally, as it did not at that stage have planning approval from the relevant authority, that is, the council, and it still does not have planning approval.

It is believed that the feedlot has been holding approximately 3 000 head of cattle over the past 12 months and effluent has been discharged into creeks and over roads. Indeed, the Department of Environment and Planning has photographic evidence of this effluent being up to two kilometres away from the site. There have also been reports—which I cannot vouch for, I am afraid—of offensive odours being detected up to 2½ kilometres away.

The Minister for Environment and Planning has advised the Clare council that under the Clean Air Act a number of conditions in relation to design and maintenance must be adhered to, as well as a restriction on the maximum number of animals that can be held on the property at any one time. I understand that this maximum may be well below the number reported to be on the feedlot at present.

The Hon. Peter Dunn: Where is that in the Planning Act?

The Hon. ANNE LEVY: No, the Clean Air Act.

The Hon. Peter Dunn: What, the number of cattle on the place?

The Hon. ANNE LEVY: This relates to where odours are being produced. It is under the provisions of the Clean Air Act. I certainly hope that this matter can be resolved satisfactorily in the near future and that the Clare council will soon be able to advertise the planning application it has received and deal with it in the correct manner so that the many concerns of Clare Valley residents will be allayed as soon as possible.

SMALL BUSINESS

The Hon. L.H. DAVIS: I direct my question to the Minister of Small Business. Will the Minister say how the recent Federal budget will benefit or assist small business in South Australia?

The Hon. BARBARA WIESE: The recent Federal Government's budget has numerous aspects that will be of benefit to small businesses in South Australia. I refer to some of the programs that have been sponsored, particularly by the Federal Minister for Small Business and Customs (Hon. David Beddall). These programs relate to matters that come out of the Beddall small business report, which was produced by a parliamentary committee chaired by David Beddall when he was a backbencher. Since he assumed the position of Minister for Small Business at the Federal level, he has been pursuing the matters that were contained in that report, in the interests of small businesses in Australia.

As I indicated some months ago, a number of studies are currently underway, particularly in relation to taxation issues, which are of prime concern to small businesses. They have indicated on many occasions through various forums and meetings with State and Federal Government Ministers, that these are the issues that are of concern to them. Steps have already been taken during the course of the year and prior to the budget that act on those matters. Studies are underway that will be completed before the end of the year, which, hopefully, will be acted on either during the course of this financial year or as part of next year's budget process. Certainly, this year a new export development program for small to medium enterprises has been developed by the Federal Government, and it will be delivered by the Australian Chamber of Manufactures. Members opposite do not seem to have much time for the Australian Chamber

of Manufactures, but people in small businesses who are members of that body certainly have.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: That export development program will be delivered through that chamber, with the support and involvement of major national industry associations. In addition, a national business referral system will be providing small business with easy access to sources of business advice—

Members interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: —and support, and that will be provided through the Federal Government. Further funds are being provided through the National Industry Extension Service (NIES), and its program will benefit a number of people within the South Australian small business community. Many of the programs are delivered by the Small Business Corporation acting as a subcontractor for NIES which, as I said, is a Federal Government project. The Small Business Corporation has assisted a large number of small businesses in this State through that program in previous years. As a result of the Federal Government's decision this year to continue with that program there will be an opportunity for many more people to be assisted.

As I said before, the ongoing work that was commenced by David Beddall in relation to the strategy for a reduction of paperwork at the national level, and the programs that are being put together in the franchising and licensing area, will be of assistance to small business and will be welcomed by small business along with the additional money that will be forthcoming through the education budgets for small business training programs.

So, a number of matters contained in the Federal budget will help small business. At the moment I am seeking information from the relevant Government Ministers as to the detail of some of the programs that are not fully explained in the budget papers. As I said on a previous occasion, budget papers are not all-encompassing and all-embracing, and very often the details of Federal Government projects come much later than the Federal budget itself. I will be interested in receiving relevant information from those Ministers about some of those programs over the next few weeks. When that information is available I will be communicating with the people who need, and may benefit from, the information that can be provided through those Federal Government sources.

TAXIS

The Hon. I. GILFILLAN: I seek leave to make an explanation before asking the Minister of Consumer Affairs a question about the restriction of trade for some Adelaide taxis.

Leave granted.

The Hon. I. GILFILLAN: The plan by this Government to deregulate the taxi industry has failed. More than 20 per cent of Adelaide taxi drivers are being denied access to the open market through heavy-handed restrictions imposed on them by the two big operators, United and Suburban. Approximately five years ago the Cabcharge credit system was introduced on the basis of its being a national credit system to allow taxi customers to pay fares with an assortment—I emphasise 'assortment'—of credit cards. The Cabcharge company is registered in New South Wales, but two of its major shareholders are United Cabs' parent company Yellow Cabs and Suburban Taxis here in South Australia.

The system provides customers with the option of paying fares with Diners Club, American Express, Cabcharge vouchers and Motor Pass credit cards. The scheme has been a resounding success with approximately 80 per cent of taxi customers now using the system. The biggest single customer is, in fact, the State Government.

Interstate, the credit system is available to all taxi drivers, irrespective of which company they work for or if they are independents; but, that is not the case in South Australia. Around 180 taxis here, of a total of 851, belong to Diamond or Amalgamated, or are independents, and they are not being allowed to use the system by United and Suburban, which are the South Australian agents for Cabcharge.

This restriction on trade is effectively creating a duopoly in the taxi industry, placing the drivers from smaller companies and independents under extreme pressure in their attempts to earn a suitable income while, at the same time, allowing the big two operators to increasingly dominate the market—this at a time when the State Government is attempting to deregulate the taxi industry to make it more efficient and competitive for customers.

I have been told of a recent episode where an independent driver was the last taxi available at Adelaide Airport with six customers waiting for service, all of whom intended paying their fares with Diners or American Express. The driver was forced to turn down their requests because he was not allowed to take the credit cards. People were then left in the ludicrous situation of standing in line with a taxi present, while the taxi driver had to wait for someone with cash. From a tourist's point of view, it was a ridiculous and frustrating introduction to Adelaide and from the driver's viewpoint a senseless waste of time and loss of income. My questions to the Minister are:

1. Does the Minister believe that this situation represents a restriction on trade by smaller operators and independents?

2. With the State Government the single biggest Cabcharge customer, does the Minister believe that the Government is contributing to a restriction of trade?

3. Will the Minister investigate the Cabcharge situation in South Australia and ensure that these restrictions are lifted to enable the entire taxi industry to operate effectively?

The Hon. BARBARA WIESE: I am not in a position to make any comments about this matter until it has been properly investigated and the facts are known. However, I will certainly refer it to the Commissioner for Consumer Affairs for her attention. It may be that if, as the honourable member suggests, there is some suggestion that there is a breach of trade practices legislation, it is a matter that the Federal Government rather than the State Government should investigate. Whichever is the appropriate agency, I will ensure that it receives the complaints that have been raised here by the honourable member, and I will bring back a report.

The Hon. I. GILFILLAN: As a supplementary question, is the Minister aware of the restriction on the use of Cabcharge?

The Hon. BARBARA WIESE: No.

LOCAL GOVERNMENT GRANTS COMMISSION

The Hon. J.C. IRWIN: Has the Minister for the Arts and Cultural Heritage a reply to a question I asked on 15 August regarding the Grants Commission?

The Hon. ANNE LEVY: In view of the time, I seek leave to have the answer inserted in *Hansard* without my reading it.

Leave granted.

Alternative methods of funding the South Australian Local Government Grants Commission were set out in an agreement reached by the negotiating task force and signed by the Premier and the President of the Local Government Association in April 1991. The formation of a joint Local Government Grants Commission Consultative Committee to approve the commission's administration budget and staffing was also part of this agreement.

The consultative committee has agreed on a total budget for the Grants Commission of $250 000 for the 1991-92 financial year. These funds will be generated in four instalments by investing the Federal general purpose grants each quarter for a period which will vary according to the amount determined by the consultative committee and the interest rates available at the time of payment by the Commonwealth.

The first quarterly payment was received on 15 August 1991 and was transferred to the Local Government Finance Authority by the State Treasury on the same day. The funds will be invested for a period of 15 days and will generate an interest payment of approximately $80 000. Councils will receive their first quarterly payment on 30 August 1991.

KICKSTART

The Hon. PETER DUNN: Has the Minister for the Arts and Cultural Heritage a reply to a question I asked on 20 August about Kickstart?

The Hon. ANNE LEVY: In view of the time, I seek leave to have the answer inserted in *Hansard* without my reading it.

Leave granted.

My colleague, the Minister of Employment and Further Education, has advised that Kickstart is a new way of delivering labour market programs which gives a local community considerable say in what is done in its locality. It is based upon a partnership between key figures from the local community and officers from the Department of Employment and TAFE.

Projects will be innovative in that they will designed to meet specific local needs rather than fit in with guidelines which will apply across the State. Outcomes of programs will need to fit broad State Government objectives that have been determined as part of State employment and training policy.

An example of a project may be a technology training project designed to retrain employees in an industry that would otherwise retrench these employees because of their lack of necessary skills to operate new technology necessary for the efficient operation of that industry. Alternatively, training initiatives could include the training of local people in preparation for an expansion of existing industry or the establishment of a new industry or small business in the Eyre region.

The State Government will provide around $200 000 in the first year to the Eyre region and an equivalent amount may be attracted from the Commonwealth. This money will be for the establishment and operation of programs and will include some administrative and local travel costs.

Actual expenditure will be determined by the Eyre region employment and training body which will be established under Kickstart to determine local needs and the programs required to meet these and to provide this advice to the Government. The whole idea behind Kickstart is to give the local community a key role in determining what happens in their own area, not have it decided by central bureaucrats. However, Government, Federal and State, can only go so far. Ultimately, communities themselves must make a commitment.

Mr Connelly's remarks were directed toward a key issue. In other parts of the world, local employer involvement in labour market activities is commonplace. In Australia, it is much less well developed. But, ultimately, the success of those employers and their enterprises will depend significantly upon the levels of skills they can tap into. To neglect this is to neglect their own future. His remarks also made it clear that it was not cash that was being looked for particularly, but rather the knowledge, spare capacity and skills which local employers had in their work force which could make invaluable contributions to increasing the skills of local unemployed people.

HEAVY TRANSPORT

The Hon. PETER DUNN: Has the Minister for the Arts and Cultural Heritage a reply to a question I asked on 15 August regarding the proposed national heavy vehicle registration and regulations scheme?

The Hon. ANNE LEVY: In view of the time, I seek leave to have the answer inserted in *Hansard* without my reading it.

Leave granted.

My colleague the Minister of Transport, has advised that the State Government supports in principle the proposed national heavy vehicle registration and regulation scheme to be developed following agreement reached by Heads of Government at the recent Special Premiers Conference held in Sydney on 30 July 1991.

It is in the area of heavy vehicle registration and regulation where reforms have the potential to produce significant benefits. For example, by ensuring operators legal in one State are able to operate legally in other States. National B-double operations, with resulting productivity improvements, are likely to represent an early sign of reform in this area. Such reform may not, however, be without some cost to local operations, in that any move to greater uniformity is likely to require compromise.

The State Government still has some reservations with the charging aspects of the agreement. The recognition of differences in road track costs across the nation and the introduction of a two zone charging system goes some way to meeting South Australia's concerns. Whether or not lower charges can be maintained in the lower charge zone (Queensland, Western Australia and South Australia), transport of goods into and out of the higher charge zone (New South Wales, Victoria, Tasmania and ACT) will be subject to a higher charge structure, over which South Australia could never expect to have much influence. This is little change from the existing situation.

The National Road Transport Commission, to be set up folowing agreement reached at the July 1991 Special Premiers Conference, will have the task of recommending charge levels which, within certain constraints, can be rejected by a majority of States within a zone if deemed unreasonable. Heads of Government noted but did not endorse indicative charge levels determined by officials. Even so, for South Australia indicative charges represented increases of much less than 10 to 15 times existing charge levels.

A significant phasing in of any charge increases is proposed, with the commission required to take account of the impact any increases would have on particular regions, such

as remote communities. Consultation with industry on all issues has also been recognised as essential.

As a consequence the impact of the road transport charge proposals on remote communities will be much less than is feared in some quarters; considerably less impact than if the original Inter-State Commission recommendations in this area had been accepted. However, the scheme is national, promoted as assisting the microeconomic reform process, and hence if remote communities were to suffer as a consequence the State would be looking for assistance at the national level rather than redirecting limited State finances.

ART GALLERY

Adjourned debate on motion of Hon. Diana Laidlaw:

That this Council—

1. recognises 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.

which the Minister for the Arts and Cultural Heritage (Hon. Anne Levy) had moved to amend by striking out 'and' at the end of paragraph I. and the whole of paragraph II.

(Continued from 21 August. Page 347.)

The Hon. I. GILFILLAN: Before making my contribution, I move the following amendment:

Paragraph 2—Leave out all the words after 'mismanagement'.

In these days of rapid change, 1996 seems a long, long way off, yet 1996 is when the proposed stage 1 of the Art Gallery is now planned to open, 22 years, I emphasise, after the Johns report documented the chronic lack of space and facilities at the Art Gallery of South Australia. Since then, every other State gallery has been vastly expanded or rebuilt.

What has not been fully appreciated in the debate about Art Gallery extensions is that the proposed stage 1 extension falls far short of the national standard for this type of facility, yet this Government persists in claiming credit as a major supporter of the arts. Even if these much vaunted and now much delayed extensions at the Art Gallery of South Australia were completed today, the facilities of our gallery would still lag far behind those of other Australian galleries. How far behind will we be in 1996, because this Government lacks the vision and confidence of other States in the development of cultural infrastructure?

Unfortunately, stage 1 includes little extra permanent collection display space which has not been increased for nearly 60 years, yet in that time the gallery's collection (now I am advised worth nearly $300 million) has increased in numbers four-fold. It is the second largest State collection in the smallest mainland State gallery building, and some aspects of the collection (like Australian art) is the finest collection that exists anywhere. To make matters worse, stage 1 does not include a lecture theatre, now obligatory for any gallery's vital education program. Every other State and Territory gallery now has its own lecture theatre.

I urge the Government not only to commence stage 1 immediately: at the very least, advantage should be taken of the two-year delay by making preparation for stages 2 and 3 also to be built at the same time as stage 1. As I understand it, the consent or approval for stage 2 is assured, and for stage 3, because it is principally an underground development, there is unlikely to be any problem with EIS approval.

Stages 2 and 3 will provide the much-needed extra permanent display space and a lecture theatre, and will cost approximately an extra $5.5 million, bringing the project to a total of $19 million; this spread over three financial years, with $1.5 million that has already been spent on plans.

The comparatively modest amount of $19 million—I am not indicating that it is not insignificant but, relative to other amounts of money with which the Government has been dealing either in mismanaged losses or expenditure—according to evidence given by Bill Schroder of the Art Gallery of South Australia Foundation in the report of the Public Works Standing Committee, amounts to only about half the value of community and private sector gifts to the Art Gallery in the past decade. So, let us get things in proportion.

In addition to upgrading the gallery facilities and making the splendid collections accessible to all South Australians, and to interstate and overseas visitors, the gallery extensions would encourage those now disillusioned donors to continue their generosity.

As far as the visual arts are concerned, we can no longer speak of South Australia as the Arts State or the Festival State, nor can we speak seriously of cultural tourism here, when we have neglected to develop the State's greatest cultural assets. Had the gallery's collections been owned by any other State, they would have been enshrined by a bigger, more accessible and ambitious building a generation ago. I suggest that all members should take advantage of comparing, when they have the opportunity, interstate facilities with our own poor-cousin status, when next visiting Perth, Brisbane, Sydney, Melbourne and Canberra.

Furthermore, now is the time to build. The cost advantage to the State in building tenders has never been so competitive and the State's building industry has never so urgently needed a vital injection of public funds. This week a report in the *Australian* has been brought to my attention. The report from Queensland confirms that Government's intention to spend an extra $700 million this financial year on employment boosting capital works—and this is after it spent $2.3 billion last year. The article of Monday 26 August (this week) quotes Mr Goss, as follows:

> He said an additional $700 million would be provided on top of last year's allocation of $2.3 billion to create about 5 000 full-time jobs during the construction of projects such as schools, hospitals and public housing.

It is a sorry reflection that the Labor Government in that State has seen that it is part of its responsibility to shore up employment at a time when there is such a critically high employment problem throughout Australia and especially here in South Australia. Also, in New South Wales, a State which benefits, some might say, from enlightened Government policy—others might not say that it is enlightened Government policy; it depends on which area of Government policy one refers to—its museums have all been built or refurbished massively in the past decade and there is a continuing commitment to cultural infrastructure.

I refer to the announcement last weekend of the refurbishment of historically significant Luna Park. Although I do not want to make comparisons between Luna Park and the Art Gallery to be taken too seriously, the point I am making is that they are prepared to spend $15 million. That same amount—

The Hon. L.H. Davis: Only $2.5 million is required this financial year.

The Hon. I. GILFILLAN: That is right. When we are talking about the amount needed, it is, as I have said earlier, extended over three years. New South Wales is willing to spend $15 million on its restoration of Luna Park. Although members can laugh about this, the question of our looking to provide desperately needed Art Gallery extensions—

An honourable member interjecting:

The Hon. I. GILFILLAN: One of the extensions might house vociferous members of this place; that could be quite a money spinner. Although the presence of members in the Chamber is somewhat thin at the moment, I hope members are tuned in to the proceedings on their speakers in their room and realise that we all bear the shame of having inferior and inadequate presentation of our cultural heritage. The Art Gallery is a classic and prime example of it. In moving my amendment, I want to indicate support for the main issue raised in the motion. I congratulate the Hon. Diana Laidlaw for putting the case so well.

The Hon. Anne Levy interjecting:

The Hon. I. GILFILLAN: I hear from an interjection that the Minister acknowledges what a splendid venue the Art Gallery is for its purpose, and with that I totally concur. But that does not mean that it should then be shabbily ignored in the allocation of resources for its proper development. I can do no better than refer back to my own speech, indicating that it is 60 years since there has been substantial improvement and that it is now long overdue. Excuses just will not count. I urge the Government to proceed not only with stage 1 but also with stages 2 and 3 as a positive display of much needed cultural and economic confidence in South Australia.

The Hon. PETER DUNN: I support the motion, which is relevant in the light of what has taken place. This whole exercise demonstrates just how well organised this Government is, how well it carries out its operations and how well it has run this State. I think it boils down to how well the Government runs this Parliament. It has totally thumbed its nose at a committee set up by the Parliament to review the spending of the money. It is interesting to note that Treasury did allocate the money a few months ago, and SACON architects drew up a quite sophisticated plan, one which appeared to me to be most applicable and which would satisfy the demands and requirements of those people with an interest in the Art Gallery. It was then forwarded to the Public Works Standing Committee for review, and to ensure that the money was well spent. We investigated the proposed plans at some length, including the capital and recurrent expenditure. At the end of the day, we decided that the additions to the Art Gallery should be proceeded with.

However, six weeks before we made our decision, I heard on the grapevine that the program had gone back to Treasury. The only conclusion I could come to was that Treasury had got cold feet and was going to pull the pin on it. But did it pull the pin on it at that time? No; it allowed the Public Works Committee to proceed with its investigation to the extent that we held a public meeting in the Art Gallery. What a charade that turned out to be! Approximately 500 people attended that public meeting, yet Treasury and the Government of the day already knew that they did not intend to proceed with the extensions to the Art Gallery. If that is the way the Govenment proceeds, I am at a loss to know how it runs the rest of the State.

Why did it not come out honestly and say that the finances did not allow for these additions to the Art Gallery and therefore the project would be withdrawn? Instead, it continued to allow that charade to occur with the public meeting attended by 500 people. You were there, Mr Acting President, and I am sure you would agree that it was an interesting meeting, and it was even more interesting to read the publicity in the press afterwards. Some of those reports were quite incredible. Not a great deal of skill was shown by the scribes who write up the art world in this State. Some members of the committee were referred to as old or strap farmers. I presume they were thinking of you, Mr Acting President, when they said 'old'.

The ACTING PRESIDENT (Hon. T.G. Roberts): Order! The honourable member is reflecting on the Chair!

The Hon. PETER DUNN: I apologise and withdraw the word 'old'. When they referred to 'strap farmers', they were obviously thinking of me and perhaps the Hon. Ted Chapman. That is not too clever, when these people want funds to be spent on the project. It was a rather silly attitude to take. However, we investigated the proposal and considered all the comments made about the Art Gallery in some detail—perhaps more than we do with some other projects—and we decided that the project should proceed.

However, I voted in that committee to alter the design somewhat. I thought there was probably less of a requirement for the office space, because there is a lot of vacant office space in Adelaide at the moment, and perhaps a little less entertainment area in the gallery itself was required. I voted to have the plan redrawn, taking those matters into account to see what the cost would have been. However, I did not have the numbers, so it proceeded and I voted for the project as it was. I stand by that vote.

I am disappointed to think that the Government, at the ninth hour and having known six weeks beforehand that it was going to pull the pin on the project and not proceed with it, allowed that charade to advance for a further six weeks. Even then, the Minister did not have the honesty to stand up and make a ministerial statement that the project would not proceed, when two minutes beforehand the report of the Public Works Standing Committee on this matter was laid on the table of this Chamber. That just demonstrates very clearly how a Government thinks when it is under siege, as this Government is. It is not thinking clearly or straight. It does not understand the finances of the State or the operation of much of the capital expenditure in South Australia. That is demonstrated when we look at the regional cultural centres. I made a plea at the public meeting that there ought to be some evening up of the money spent in regional centres, and I cite the case of Port Lincoln in particular, which has virtually nothing. It is a significant centre.

The Hon. Anne Levy: They have had $15.5 million in arts capital in recent years.

The Hon. PETER DUNN: What, Port Lincoln?

The Hon. Anne Levy: The regions.

The Hon. PETER DUNN: The Minister says that the regions have had $15.5 million, but how much has been spent in Port Lincoln?

The Hon. Anne Levy: Port Lincoln is not the only place.

The Hon. PETER DUNN: No, Port Lincoln is not the only place. It is certainly one of many, but it is rather like an island. It is about the same distance from Adelaide as Melbourne is, as I have said many times, and it ought to be given a little consideration. All the consideration has been given to Whyalla, Port Pirie, Renmark and Mount Gambier. I do not deny consideration to those places—it is a very good thing—but I would have thought that, with about 15 000 to 20 000 people in the area, Port Lincoln could have some of that money spent wisely in that area to allow those people to enjoy the arts. They are so depleted at the moment. I understand that, just recently, several

exhibitions that were to go there were cancelled because there was nowhere to exhibit them. Those people feel a little put out about that—a poke in the eye, you might say. Perhaps that will occur when money is spent again.

I certainly agreed with the money being spent on the Art Gallery of South Australia. My basic logic was that it was like having a farm with a lot of machinery but no sheds to cover the machinery. The very exquisite art (as I have been told) in this State, particularly Australian art, cannot be exhibited here if there is not the appropriate display area. If the art is hidden in a shed somewhere else in the city, what is the good of that if people cannot see it? Maybe we would be better off to show it around the country areas or in some of the private galleries around the metropolitan area. The Government sought to withdraw its funding for this project after it went through the due processes of Treasury, Public Works Committee inquiry and presentation to Parliament. Once again, to withdraw projects at this late stage, not only demonstrates the lack of ability of this Government to think ahead, but also its inability to understand finances. For those reasons, I support the motion.

The Hon. DIANA LAIDLAW: I thank all members who participated in the debate; it is excellent to see such a great number of members doing so and speaking with such interest and passion about the arts. It has been exciting to hear that, in terms of debates in this place. I am prepared to accept, with some reluctance, the amendment moved by the Hon. Mr Gilfillan. The Minister chortles or laughs; I am not sure what that sound was. I am prepared to accept that amendment. The Liberal Party has, I think, right on its side in terms of the motion that I moved in three parts. I note that the editorial in Monday's *Advertiser* also agreed with the Liberal Party's assessment when it stated:

> Another bitter pill to swallow was the revelation by the gallery board's chairman, Mrs Heather Bonnin, that the Premier, Mr Bannon, had actively discouraged the use of private sector support for the gallery extensions in order to retain them as a Government initiative—a move that, in hindsight, appears to have contributed to the deferral of the project.

That is certainly the Liberal Party's belief, and it is a view that we will maintain, having read both the report—

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Keep her in order, Mr President! You are always telling me to stay in order, and now she is getting excited.

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: The Liberal Party maintains that there can be a role for the private sector in this venture. We offered that suggestion after the Government decided to defer this project. It was offered in good faith in the belief that, if the Government had the vision and the will to do so, this extension to the Art Gallery could proceed forthwith. I emphasise that point, because it was a desperate suggestion by the Minister in her contribution that the proposal of the member for Victoria (the Leader of the Opposition), which canvassed corporate involvement in the Art Gallery, was a deliberate suggestion that we would not proceed with all or part of stage 1 or the further extensions without private sector involvement. As I say, that is a devious, desperate gesture by the Minister and has no foundation.

My Leader, Mr Baker, subsequently wrote to Mrs Heather Bonnin and members of the board in relation to the suggestion that this project would not only be delayed under a Liberal Government, but would be cancelled entirely if there were no Government support. He has refuted that suggestion and written to Mrs Bonnin in the following terms:

> I confirm that my statement urging the Government to explore all possible avenues of corporate and private investment was motivated purely and simply by a desire to ensure the extensions are not delayed unnecessarily—and certainly not for two years which, sadly, is the case at present. The statement responded to a Government decision to delay the extensions and in no way should be taken to represent a back down on the Liberal Party's 1979 election commitment or our belief that work on the extensions can and should proceed now, if the Government had the will and vision to do so.

The Art Gallery would need $2.5 million in this financial year to proceed with the extensions to stage 1, not the $15 million that the extensions would cost in total. I understand that $1.5 million has already been spent on the detailed plans, leaving some $13 million for the project, of which $2.5 million would be required this year. In terms of the overall budget, that is a pittance when one considers the gains and long-term investment potential of the extensions to the Art Gallery. It is also a pittance when compared to the vast sums of money that the Government has lost for the taxpayers of this State on the Scrimber project; that it has ploughed into the State Bank; and that we must make up in terms of WorkCover and SGIC, to name just a few cases.

In conclusion, I point out that this was a commitment by the Bannon Government; it is a commitment that it believes it can now sacrifice, which merely reinforces the concerns so often felt in the arts community that the arts sector is too readily deemed to be dispensable, and the first to be sacrificed when times get tough. I also point out that the Government made a number of other commitments at the last election, one it kept being a $7.5 million free transport scheme for students. It was prepared to support that because it was seen—

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Well, it is to be cut tomorrow, of course. It gives with one hand and takes away with the other. It was willing to support the free student travel scheme, because it was seen to be politically expedient to do so, but was not prepared to support the Art Gallery at some $2.5 million. That is an interesting reflection on the Government's priority for the arts compared to its rhetoric about the value and importance of the arts in this State.

The Hon. Anne Levy's amendment negatived; the Hon. I. Gilfillan's amendment carried; motion as amended carried.

HEAVY TRANSPORT

The Hon. DIANA LAIDLAW: I move:

That in relation to the agreement signed at the special Premiers Conference on 30 July 1991, this Council—

1. supports the proposed national heavy vehicle registration and regulation scheme;
2. opposes the proposed national heavy vehicle charging scheme based on Interstate Commission (ISC) mass/distance principles, on the grounds that the charges will have a severe social and economic impact on South Australia's heavy vehicle industry, industry and consumers in general and our rural/remote communities in particular; and
3. calls on both State and Federal Governments to dedicate a substantially larger proportion of revenues already gained from fuel taxes for road construction and maintenance programs.

This motion addresses an agreement signed at the special Premiers Conference (SPC) on 30 July 1991 facilitating the introduction of a national uniform registration and regulations scheme for heavy vehicles and a new road user charging scheme for heavy vehicles based on vehicle weight and distance travelled.

While the Liberal Party wholeheartedly supports the registration and regulation components of this package—in

fact, they are long overdue—we are vehemently opposed to the new charging scheme and, for the interest of members opposite, so was the Premier, Mr Bannon, and the Minister of Transport, Mr Blevins, at least until the eleventh hour, minutes before Mr Bannon signed the SPC agreement.

In putting his signature to the road charging reforms, the Liberal Party accuses Mr Bannon of selling out the State's interests. He has endorsed a road charging proposal which he knows is not sound and which he knows has not been subjected to any rigorous cost benefit analysis. He has committed the State to higher registration charges, which he knows will have an enormous social and economic impact on the heavy vehicle industry in South Australia, on industry and consumers generally, and on rural remote communities in particular, although he does not know what the final costs will be or what the cost differential will be between zone A and zone B, or how the differential will be collected.

Prior to attending the special Premiers Conference, Premier Bannon and Transport Minister Blevins were armed with a paper prepared by the Office of Transport Policy and Planning, which outlined the South Australian perspective on the national push for new road charges. At the conclusion of the executive summary of this paper, it was noted:

> While South Australia has always sought to be cooperative in any reform process, much more research is required into the basis of an efficient pricing structure. At this stage it is the South Australian view that the current proposals do not represent an advance. The somewhat dubious benefits suggested to date seem more than outweighed by the apparent associated costs.

Notwithstanding this sober advice from his own senior officers, Mr Bannon, together with all leaders except the Chief Minister of the Northern Territory, signed the SPC agreement. In doing so, Mr Bannon agreed to the following terms:

1. The implementation of a new charging scheme comprising a nominal administration charge, a road use charge component of diesel excise and a registration (or mass distance) charge for vehicles that do not meet their road costs through fuel payment alone. This latter reference is the Interstate Commission or ISC philosophy expounded by Mr Ted Butcher.

2. The application of the registration charge to heavy vehicles where it would be inequitable (that is, it would involve significant over-recovery for other vehicles) if they covered their road costs by fuel charges alone.

3. The setting of charges to recover fully distributed costs, while minimising over-recovery from any vehicle class.

4. Until the proposed new commission recommended otherwise, the setting of charges by a PAYGO (pay as you go) basis, using two years actual road expenditure plus one year's budgeted expenditure, with toll roads and State franchise fees nominated as road user charges.

5. The separate identification and adjustment by separate mechanism of State fuel franchise fees and the taxation component of Commonwealth diesel fuel excise (a recommendation which, I note, selectively ignores the ISC philosophy that all the diesel excise should be considered as a road user charge and that all State fuel franchise fees should be abolished).

6. The determination of the road use charge component of the diesel fuel excise by the commission by March 1992, for application no later than 1 January 1993.

7. The phasing in of charges, with the first instalment by 1 January 1993 and full cost recovery by 1 July 1995, for all vehicles except road trains. Road trains are to have up to 50 per cent of the mass distance charge in place by 1 July 1995 and to be fully implemented by 1 July 2000.

The agreement notes that initially this new charging scheme is only to cover vehicles above 4.5 tonnes, but that officials are to report back to the next Special Premiers Conference in November on the feasibility and desirability of including light vehicles in the scheme. In the meantime, I note the agreement also contains some sweeteners, as follows:

1. The new national commission is to have regard to the impact of varied charges on the road transport industry and industry generally, the impact of various charges on particular regions such as remote Australia, and the different level of charges that currently exist in each jurisdiction.

2. The industry is to be consulted.

3. For the purpose of setting registration (or mass distance) charges, there are to be two zones, with zone A comprising New South Wales, Victoria, Tasmania and the ACT, with the Commonwealth as a decision-making member, and zone B comprising Queensland, Western Australia and South Australia.

4. The commission is to determine registration (or mass distance) charges for each zone, subject to disapproval by 50 per cent or a majority of Ministers from jurisdictions covered by the relevant zone.

I am not sure why Mr Bannon committed South Australia to participate in this elaborate charging scheme. The Northern Territory Government refused to do so—a decision which ensures that all heavy vehicles operating within the Territory alone will escape the new charges and the Territorians will escape the flow-on costs that will inevitably increase the price of all goods sold in the Territory.

South Australian road transport operators, manufacturers, producers, consumers, families and housewives also could have escaped the burden of the new costs which will flow from this new charging regime, had Mr Bannon been prepared to stand up and fight for South Australia's interests.

I understand he decided to resign as Federal President of the ALP so that he could focus on the interests of South Australia, but it is now obvious that this was another of Mr Bannon's hollow gestures to the South Australian public. I suspect our Premier was nobbled and pressured into supporting the national push for this new charging scheme and that he caved in under that pressure.

A media statement by the Northern Territory member of the House of Representatives and Parliamentary Secretary to the Minister for Transport and Communications, Mr Warren Snowdon, issued on 30 July in reaction to the Territory Government's decision to have no part of the national charging scheme, supports this proposition. Mr Snowdon said:

> The Territory stood to lose out on road funding moneys because of the Northern Territory's Government refusal to take part in the commission.

Besides the fact that Mr Snowdon failed to appreciate that the Territory had agreed to participate in the commission as distinct from the proposed charging scheme, this revelation that the Territory stood to lose out on road funding is appalling. It amounts to blackmail—a tactic which, sadly, one has become accustomed to in the Federal Government's handling of transport reforms. Certainly, few members in this place will forget the blackmail used by the Federal Minister for Land Transport, Mr Brown, in relation to the 10-point black spots program.

The Hon. R.I. Lucas interjecting:

The Hon. DIANA LAIDLAW: Yes, that's right, where he insisted this Parliament pass legislation on the blood alcohol limit, the general speed limit, compulsory bicycle helmets and the like if South Australia was to be eligible for $12 million in road safety initiatives over the next three years.

At that time the Liberal Party consistently called on the Bannon Government to resist such thuggery tactics and we expressed repeated concern about the precedent that would be set if the Bannon Government gave into the blackmail. But this Government did give in. It exposesed its vulnerability which the Hawke Government now appears to have exploited successfully in respect of the implementation of an ill-considered road charging scheme for heavy vehicles.

If Mr Bannon was not bought off by Hawke Government threats to withhold road grants, as Mr Snowdon has suggested, I can assure the Premier that speculation abounds in the transport industry that Mr Hawke secured his signature on the agreement by threatening to withdraw Federal support for Adelaide as the interim headquarters of the new National Rail Freight Corporation. We have yet to hear the outcome of any decision on the headquarters for the new corporation. Whatever the reason for Mr Bannon ultimately signing the SPC agreement, documents and correspondence provided to me clearly identify that he acted against the advice of his own senior transport policy advisers and against the best interests of South Australians.

The document prepared by the officer of Transport Policy and Planning to which I referred earlier, notes under the heading 'Impact on Industry and Community':

The SPC proposal has not been subjected to any rigorous cost benefit analysis to determine its appropriateness. No costing of the associated administrative and enforcement costs to Government, or costs to operators resulting from time required to undertake relevant transactions, financing up-front charges etc. have been made. Governments are being asked to endorse the proposal merely on its supposed merits, which do not appear to be all that sound.

Little regard has been had by the SPC process to the potential impact on general industry and certain sections of the Australian community. Remote rural communities would be disadvantaged by any increases in the cost of transporting goods, but so too would the States (such as South Australia) at a locational disadvantage to the large eastern States markets. The cost of importing goods into the State would also increase.

The paper goes on to suggest the the new charging scheme would put many small transport operators out of business (family business with home mortgaged or with other family members guaranteeing the loan in order to purchase the truck). It states:

A large increase in charges (especially if fixed rather than variable) would result in a significant shake-out of road transport operators which could, in turn, seriously impact on the degree of competition in the industry. Should a significant charge increase be introduced and a significant number of operators exit the industry, the result could be a substantial increase in the market power of a few key road transport operators, the adverse impacts of which could swamp any supposed microeconomic gains resulting from the introduction of more consistent charges.

The paper also addresses the road, rail freight arguments, with the following timely warning:

Whilst some may say that there are currently too many operators in the industry, interstate road freight projections suggest the need for at least 50 per cent more operators by the end of the decade. In a recent debate, the President of the former Interstate Commission (Mr Ted Butcher) suggested that without the National Rail Freight Initiative (NRFI) the number of interstate road operators would double from 10 000 to 20 000 by the year 2000, whereas if the NRFI performed to expectations the increase would be to 15 000. Care needs to be taken to avoid a situation whereby good operators are forced to leave the industry now, creating a shortage for future years.

I note also that the paper refers to a survery of a number of organisations conducted by the South Australian Department of Industry, Trade and Technology (DITT) in an attempt to determine the impact of a 3 per cent projected increase on freight rates on industry in general in South Australia. The author of the paper reports:

Predictably, an adverse response was received. From a comparative viewpoint, especially for those industries that are price takers on the international market, and/or deal with 'low value' bulk commodities (where higher than average impacts will occur), even a small price increase can have serious ramifications.

Mr Paul Chapman, President of the Livestock Transporters Association of South Australia, in a letter to the Premier of 22 July, states:

Dear Mr Bannon,

Livestock transporters face ruin if proposed higher charges are levied on truck operators and implemented through a revised road maintenance tax . . .

South Australian truck operators want a proper user and road funding system that will benefit everyone and the Livestock Transporters Association of South Australia supports your endeavours in this discussion.

Indeed, the Interstate Commission has confirmed that livestock transporters currently pay three and a half times more in tax than the average of all other industries.

Yet your Federal colleagues may further increase taxes which will place an intolerable burden on South Australian livestock transporters.

It is not only Mr Bannon's Federal colleagues who seek to impose those further imposts on South Australian livestock transporters; our Premier is now also part of imposing those increases. Mr Chapman goes on to say:

In the lead-up to the conference I am writing to outline my association's position and to point out not only is there no justification for increasing charges on livestock transporters but here could not be a worse time to think about doing so, while we are in the depths of the current economic recession.

Livestock transporters are an integral part of Australia's export-orientated primary industry sector. Australia obviously needs to encourage more exports and this will not be achieved by additional unjustified taxes.

There is a very good case for a national operating environment for road transport vehicles to be established in co-operation with State and Territory Governments as trade and commerce in Australia has been impeded by border problems for too long.

However, all livestock transport operations in Australia should not be expected to operate under a single straitjacket, as every region of Australia has significant differences.

If the Federal Government goes ahead with the fee increases—

this letter was written before the Premier signed the SPC agreement—

proposed transport costs must increase by approximately 20 per cent to the end user in South Australia.

Not only will it increase the cost of moving livestock to market in South Australia, cost of goods to consumers and business will also increase.

Livestock transportation is an essential service in South Australia and is to the rural economy, and our valuable export earnings, what train and bus services are to the commuter in Adelaide.

My association members do not look for concessions but the fact remains: we are already paying our fair share of road maintenance and we are as efficient as can be.

In the past two years our State registration costs have increased from $2 261 including trailer to $3 605—an increase of more than 50 per cent on a six axle articulated vehicle. This does not take into consideration a further $500 increase from 1 July and the proposals before the Premiers Conference to double all these rates in 1992.

We ask you to continue to argue that South Australia cannot afford any further increases—we are paying more than our share at present.

Sadly, Mr Bannon, our Premier, did not fight for the interests of the livestock transporters, as was the plea of Mr Chapman, because he signed the agreement at the special Premiers Conference. It is apparent from the terms of the agreement that South Australian livestock transporters will pay massive increases in registration fees on a mass distance charge basis in the future. That will affect not only regional and rural families and communities in this State but also our export potential and will have an influence on the prices that are paid in Adelaide supermarkets.

It is a fact in South Australia that very few of our regional remote areas have rail lines that primary producers can use to get their livestock to market, whether for export or to an abattoir. For instance, Eyre Peninsula has few rail services, and other country rail services are rapidly being pulled up.

Most primary producers do not have an alternative to rail transport.

On the weekend I spoke to a farmer who has a station out from Coober Pedy and who reported to me that there is a siding on the Tarcoola-Alice Springs railway line eight kilometres from his property at Manguri. However, AN will not stop at that siding and has since pulled up all points between Tarcoola and Manguri. This indicates that, even where primary producers have a train line near their property that they may wish to use, AN will not stop to allow them to use the rail service. Therefore, they must transport their lifestock by road, whether or not they like it.

Most livestock transporters and primary producers do not have the advantages that people living in the city have with sealed roads. Most of the road charges have been worked out on the basis of the impact of transport on sealed roads in the Eastern States. I suspect that there would not be such an uproar amongst South Australian operators and primary producers if they were operating on sealed roads rather than on dusty roads that are rarely graded, and sometimes roads that they themselves must maintain if they are to get their produce to market.

Those are some of the concerns of livestock transporters and primary producers. Those same concerns have essentially been reflected in a letter written by the Government's Commercial Road Transport Advisory Committee which was appointed by the Minister of Transport. Earlier this year the committee wrote to the Minister as follows:

It is clear that the [interstate] commission was only concerned with equity in cost recovery for roads and has no concern about economic or social equity across Australia. The major domestic market in Australia is on the eastern seaboard and industries in the western States are already disadvantaged by transport costs and will be further disadvantaged by increases in costs. The suggested encouragement of the use of road trains and 'B' doubles only applies in New South Wales and Victoria, where their use is currently actively discouraged.

That, of course, has been addressed in more recent times by the amendments to Federal legislation. It continues:

The fees proposed by the interstate commission would result in significant increases in the costs of operating road trains and 'B' doubles in the western States to the detriment of industry, primary producers and residents of remote areas.

Whilst industry is concerned about the economic and social implications of the proposals it does accept that there is some merit in transferring the raising of revenue from the registration fees to a fuel levy providing the set amount for roads is not appropriated for general revenue at some future date. The proposals for disbursement of funds and the public scrutiny of roadworks programs appears to be satisfactory in principle. However, there is fear that the western States, particularly South Australia, which has a relatively good road system, will suffer as funds are directed to the problem roads in New South Wales and Victoria.

Industry members are totally opposed to the imposition of a mass distance charge in addition to the fuel levy primarily because of the greater adverse economic effect it would have on the western States. It is not a valid assumption that industry and primary producers can either absorb the increased transport costs or pass them on to their customers without becoming non-viable or pricing the goods out of the market.

I could read further correspondence from country carriers, the UF&S and the South Australian Road Transport Association, but I will not take up the time of the Council further. Each of those letters explains very clearly the horror with which the road transport industry in this State, people in industry generally and the rural industry in particular view this new charging system which the Premier has now endorsed and which soon will be inflicted not only on road transporters in this State but also on industry, rural producers and consumers in general.

In the past—in the days before the State Bank fiasco and all the other financial catastrophies that now beset our State—South Australia was about to attract and maintain industry and generate employment, because we offered industry a comparatively low cost environment in which to operate. These low costs compensated companies for the costs associated with transporting goods to the major domestic markets on the eastern seaboard.

With national wage awards and other developments, South Australia has gradually lost this crucial cost price advantage. The proposed new registration or mass distance charges for heavy vehicles will erode this advantage even further, and may well price our product out of the market. South Australians seeking to maintain or find jobs at a time when our unemployment figures are 10 per cent and above cannot tolerate this further negative development in our State's economic, industrial and agricultural environment. I recognise that at the SPC meeting the agreement signed by leaders 'noted but did not endorse the schedule of indicative charges in the official report'. I hope this suggests that the schedule of charges put before the special Premiers Conference will never be given the nod of approval, for if they do the impact on the heavy vehicle road transport operators in South Australia—and as a consequence on the cost of almost all products moved in and out of South Australia—will be diabolical. I seek leave to have inserted in *Hansard* a purely statistical table outlining indicative heavy vehicle fixed charges as presented to the special Premiers Conference.

Leave granted.

INDICATIVE HEAVY VEHICLE FIXED CHARGES
Based on 1989-90 Cost Profile

	I	II	III	IV	V
		Mass Distance			
	GVM/ GCM	Average July 92	85%ile July 93	Current SA Regn (1)	Interim Increase
	tonnes	$	$	$	%
Bus	22.50	5 500	10 550	826	566
Rigid Truck					
1. 2 axle	4.49	250	250	209	20
2. 2 axle	5.66	250	250	311	−20
3. 2 axle	13.55	250	250	990	−75
4. 3 axle	18.00	500	250	1 350	−63
5. 5 axle					
truck	22.50	2 250	4 000	1 710	
trailer	16.50	3 750	6 550	300	
Total	39.00	6 000	10 550	2 010	199
Articulated Truck					
prime mover	22.50	4 000	6 650	2 801	
trailer	20.00	3 750	7 750	300	
Total	42.50	7 750	14 400	3 101	150
'B' Double					
prime mover	22.50	4 000	6 650	3 701	
trailer 1	20.00	2 870	6 250	300	
trailer 2	16.50	5 500	11 450	300	
Total	59.00	12 370	24 350	4 301	188
Road Train					
prime mover	22.50	4 000	6 650	6 123	
trailer 1	20.00	3 750	7 750	300	
dolly		3 650	8 250	37	
trailer 2	20.00	3 750	7 750	300	
dolly		3 650	8 250	37	
trailer 3	20.00	3 750	7 750	300	
Total	114.70	22 550	46 400	7 096	218

The Hon. DIANA LAIDLAW: The table indicates that heavy vehicle transport would face substantial charge increases if and when SPC registration charges were implemented. For example, the interim registration charge for a 42.5 tonne articulated vehicle would increase by 150 per cent from $3 101 to $7 750 and ultimately to $14 400, an increase of 464 per cent. For a two trailer B double the interim charges would increase by 188 per cent from $4 301 to $12 370, and ultimately to $24 350, an increase of 566 per cent. For a three trailer road train the initial increase would be 218 per cent, from $7 096 to $22 550 and ultimately to $46 400, an increase of 653.9 per cent.

The Hon. Peter Dunn: It's an outrage.

The Hon. DIANA LAIDLAW: It is an outrage, as the Hon. Mr Dunn says. Also, the charge for South Australian commercial buses—and I highlight this because buses are an increasingly important part of tourism in this State—would increase from $816 per annum to $5 500 under the interim scheme, an increase of 566 per cent. The effective increase would be even higher when compared with the SPC recommended approach to eliminating registration fees for buses and providing fuel rebates for franchise and sales tax. I admit also that there would be some potential winners under the scheme, with owners of light vehicles standing to gain reductions in fixed (registration) charges; for example, those with rigid two or three axle trucks weighing between 5.66 tonnes and 18 tonnes could save between 20 per cent and 63 per cent.

However, those savings, I point out, are nowhere near the gigantic imposts being proposed for heavy vehicles, and as we all know, people in this State depend on those heavy vehicles to get their produce and manufactured goods interstate to domestic markets and for export. I seek leave to have incorporated in *Hansard* a table highlighting the impact of proposed SPC registration charge increases on selected South Australian based road transport operations.

Leave granted.

IMPACT OF SPC CHARGES ON SELECTED SOUTH AUSTRALIAN OPERATIONS

Assuming: Full National Scheme, Interim SPC Charges

Sample	Unit type	Total gross tonnes	No. of units	Current charge (6) $/veh	SPC charge (1) $/veh	Total curr. $	Total SPC $	Incr. $	%Incr.	Est. operating cost incr. (5) %
G.W. & G.C. Wilson (3)	6 ax. art.	42.5	15	3 385	7 750	50 775	116 250	65 475	129	3.22
G.W. & G.C. Wilson (2)	6 ax. art.	42.5	3	3 473	7 750	10 419	23 250	12 831	123	3.08
	Total		18			61 194	139 500	78 306	128	3.20
K. & S. Freighters (2)	6 ax. art.	42	46	5 990	7 750	275 556	356 500	80 944	29	0.73
K. & S. Freighters (3)	6 ax. art.	42	69	3 385	7 750	233 565	534 750	301 185	129	3.22
K. & S. Freighters	B-double	57	6	4 673	12 370	28 037	74 220	46 183	165	4.12
	Total					537 158	965 470	428 312	80	1.99
Scotts t/port (2)	6 ax. art.	42	50	3 473	7 750	173 643	387 500	213 858	123	3.08
Scotts t/port (3)	6 ax. art.	42	50	3 385	7 750	169 250	387 500	218 250	129	3.22
	Total					342 893	775 000	432 108	126	3.15
Ascot/NTFS. (2) (4)	Triple RT	114.7	16	7 093	22 550	113 488	360 800	247 312	218	5.45
Llewelyn t/port (2)	6 ax. art.	42.5	12	3 473	7 750	41 674	93 000	51 326	123	3.08
Llewelyn t/port (2) (4)	Double R	79	17	5 282	15 150	89 794	257 550	167 756	187	4.67
	Total					131 468	350 550	219 082	167	4.17
Quinn t/port (2)	6 ax. art.	42	2.75	3 473	7 750	9 550	21 313	11 762	123	3.08
Quinn t/port (2)	6 ax. art.	42	1.25	3 845	7 750	4 806	9 688	4 881	102	2.54
	Total					14 357	31 000	16 643	116	2.90
Kassulkes t/port (2)	5 ax. art.	33.6	5	2 727	4 000	13 633	20 000	6 368	47	1.17
Kassulkes t/port (2)	6 ax. art.	41	4	3 473	7 750	13 891	31 000	17 109	123	3.08
	Total					27 524	51 000	23 746	85	2.13

Sample	Unit type	Total gross tonnes	No. of units	Current charge (6) $/veh	SPC charge (1) $/veh	Total curr. $	Total SPC $	Incr. $	%Incr.	Est. operating cost incr. (5) %
Fletchers f/ters (2) . . .	6 ax. art.	42	27	3 845	7 750	103 827	209 250	105 423	102	2.54
Booths t/port (2)	3 ax. PM	42	25	2 799	4 000	69 975	100 000	30 025	43	1.07
Booths t/port (2)	3 ax. tr.	42	81	300	3 750	24 300	303 750	279 450	1 150	28.75
Total						94 275	403 750	309 475	328	8.21
McBrides t/port (2) (4)	Triple RT	114.7	9	7 093	22 550	63 837	202 950	139 113	218	5.45

(1) Interim average.
(2) South Australian registration.
(3) FIRS.
(4) Non-concessional rates for road trains.
(5) Increase assumes that registration charges represent 2.5 per cent of total operating costs, which may be an overestimate for B-doubles and road trains.
(6) As at 1 July 1991.

The Hon. DIANA LAIDLAW: This table highlights that the proposed SPC charges would have a serious impact on the operational performance of South Australian road transport operators that do business in zone A, NSW and Victoria. While the chart assumes a national scheme, the SPC determined that the higher charges would apply in zone A only. The fact remains that the majority of the business operators for the sample group of South Australian companies highlighted in the table which I have just had inserted in *Hansard* is now and will continue to be with NSW and Victoria, for this is where Australia's major domestic markets and manufacturing industries are located. Accordingly, based on SPC charges G. W. and C. C. Wilson based in the Riverland could anticipate an increase in registration charges of $78 306; K. & S. Freighters (Mount Gambier) an increase of $428 312; Scott's Transport (Mount Gambier) an increase of $432 108; Ascot Haulage (NT), based at Dry Creek, an increase of $247 312; Llewelyn Transport, an increase of $219 082; Quinn Transport, an increase of $16 643; Fletchers Freighters, an increase of $105 423; and Booth's Transport, an increase of $309 475.

Those figures were derived not from research that I have undertaken personally but from research undertaken by the Office of Transport Policy and Planning in this State, research that the Premier had at hand before he attended the special Premiers Conference meeting. None of these cost increase estimates makes any allowance for any costs involved in servicing large up-front charges. Although quarterly payments are likely to be permitted, it is not clear what, if any, premiums would be incurred. At the same time, members should recognise that heavy vehicle operators are also facing increased costs from a number of other quarters, for example, the fitting of speed limiters, which we insisted should be applied to vehicles earlier this year, while the wholesale diesel price (SA Zone 1) has risen from 57.75c a litre in August 1990 to 62.46c a litre in June 1991.

Since the special Premiers Conference last July, I understand that discussions at officer level suggest that the SPC proposed charges may be reduced compared to those that I have just had inserted in *Hansard*. I earnestly hope that this is so, for both zone A and zone B, and that our officers have the full backing of the Premier (Mr Bannon) in pushing for lower registration mass distance charges. My argument and that of the Liberal Party would remain, however, that the proposed registration mass distance charge scheme is untenable and illogical, no matter what price is set at this stage.

That is the conclusion of the report by the Office of Transport Planning and Policy presented to the Premier and the Minister of Transport prior to their attending that SPC conference. Like the Northern Territory Government, we are not prepared to accept any increases until we see Governments at national and State levels direct to road construction and maintenance programs a substantially larger proportion of revenues already gained from fuel taxes and charges, and until we see the reforms to Australia's rail freight system implemented and operational—not simply the focus of rhetoric resolutions.

It is a fact that Governments throughout Australia collect about $10 000 million from transport and road users in Australia and that they return less than half that sum to road construction and maintenance programs each year.

In the Federal budget released last week, it is apparent that the road funds from the Federal Government to the States will decrease even further in the coming year. Over the past seven years, road funding from the Federal Government has decreased by over 30 per cent in real terms. In the same period, the Labor Government has increased its grab from motorists by well over 90 per cent, and expects to increase this tax further by 7.2 per cent this year. The Federal budget revealed that road funding is expected to fall by $36 million in real terms this financial year. That is of grave concern at a time when we see that the State Government is returning a smaller and smaller proportion of fuel franchise receipts to the highways fund for road construction and maintenance purposes. I seek leave to have inserted in *Hansard* a table highlighting fuel franchise receipts and the Highways Department share of those receipts between the years 1982-83 and 1990-91.

Leave granted.

Year	Fuel Franchises Receipts $m	Highways Department share of Fuel Franchise Receipts $m	%
1982-83	25 792	25 726	99.7
1983-84	38 569	25 726	66.70
1984-85	48 487	25 726	53.05
1985-86	46 448	25 726	53.38
1986-87	47 285	25 726	54.40
1987-88	67 470	25 726	38.1
1988-89	76 425	25 726	33.7
1989-90	77 881	25 726	33.0
1990-91 (Est.)	81 400	25 726	31.6

The Hon. DIANA LAIDLAW: The Liberal Party believes very strongly that rail freight reforms must be undertaken

in this State and nationally. However, we do not believe that the road transport industry should be king hit in the meantime and that South Australian transport operators, industry in general or consumers should suffer needlessly from an ill-considered, unsound road charging system until rail freight has proved that it can make the efficiencies and encourage the productivities that governments of all persuasions would hope of rail freight in the future.

We are also very adamant that the Government must return to roads an increasing proportion of funds levied from the road transport industry and road users generally. At such a time I believe more good faith would be shown by the road transport industry and road users towards the Government, and there may not be the strength of objections around Australia from the road transport industry to the Federal Government's current push for a new road charging system, a push that has been endorsed by this State Government, to the detriment of industries, people living in remote communities and consumers generally.

As I have indicated before and I repeat in conclusion, we need to be a low cost State if we are to attract industry, generate and maintain employment, and ensure that our primary producers are able to export their product competitively. It is a tragedy for all concerned at a time when this State is so vulnerable financially that we would see our efficient road transport industry king hit in this way, and that we would see the Premier prepared to place at great risk the little manufacturing industry and relatively strong primary producing industry in this State. I hope that members will support this motion in the interests of not only those people in employment—whether or not they be in the trade union movement—in the manufacturing industry in the private sector, but also those who are unemployed and for whom we would all desperately want every endeavour made to help them find paid employment very soon.

The Hon. T. CROTHERS secured the adjournment of the debate.

GOVERNMENT INSTITUTIONS

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

That—

1. A select committee be established—
   (a) to examine the financial position of the State Government Insurance Commission, South Australian Superannuation Fund Investment Trust, South Australian Financing Authority and the State Bank of South Australia;
   (b) to determine the cause of any losses, shortfalls, or discrepancies that are found during that examination;
   (c) to examine the interrelationships of those institutions;
   (d) to examine any irregularities, improper, inappropriate or illegal behaviour of those institutions, employees or boards;
   (e) to examine any other related matters.
2. That Standing Order 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.

(Continued from 14 August. Page 139.)

The Hon. CAROLYN PICKLES: I do not support the motion. In the current economic circumstances facing Australia and in light of the impact of these depressed economic conditions on financial institutions generally, the Government welcomes and fully condones increased scrutiny and review of Government financial institutions. Indeed the government has already commissioned reviews of many of its financial institutions and the findings of these reviews have and will be made public. It is ludicrous to suggest that a select committee should now be established to duplicate the work that has already taken place or is under way. For instance, in the case of the State Bank, if a select committee is proposed we would then have three inquiries under way at the same time.

Let me briefly outline the reviews of Government financial institutions which have already been commissioned or are under way. The Government Management Board has recently completed a comprehensive review of SGIC which has been publicly released. The Crown Solicitor has investigated allegations of conflict of interest which have been made against SGIC's Chairman. The findings of this report have already been released publicly. There are currently two inquiries into the State Bank. Following the announcement of the bank's financial position on 10 Feburary, the Government immediately established a royal commission and the Governor appointed the Auditor-General under section 25 of the State Bank Act to review the bank.

The royal commission is conducted in public and the Auditor-General's report, subject to confidentiality requirements, will be tabled in Parliament when completed. A review of the South Australian Financing Authority is expected to occur later this year as part of the Government Management Board's ongoing review of Government business operations. The Government Management Board will also be reviewing other Government business operations in the near future; and the Government Management Board has already started work on reviewing the Local Government Finance Authority of South Australia.

The Government has also increased the accountability and reporting of many State financial institutions, and a full picture of the State's financial institutions will be provided with this year's budget. This will include the accounts for the major Government financial institutions: the State Bank, SGIC, SAFA, South Australian Superannuation Fund Investment Trust (SASFIT), and Enterprise Investments. The Hon. Mr Elliott has called for a select committee to review the operations of a number of these financial institutions. Let me briefly address each one of these separately to highlight the work that has already been done and what the Government has planned in the future.

I turn first to the motion as it relates to the State Bank. In part, the honourable member seeks to justify the establishment of a select committee by asserting that the financial position of the State Bank is the subject of reliable speculation. That sort of reasoning must be amongst the poorest used in this Chamber in debate over the establishment of a select committee. If speculation over public affairs, albeit however important, were to be the criterion for the setting up of select committees, there would be an absolute plethora of committees. In fact there probably is at the moment. The honourable member claims, in his address, to be mindful of the fact that inquiries, including the royal commission and Auditor-General's inquiry into the State Bank, are currently proceeding.

Having made that claim, the honourable member proceeds to appear to ignore the all too obvious difficulties in having a select committee examine matters which are the subject of tandem inquiries by the Auditor-General and the royal commission.

On the specific issue of the bank's financial position, it should be well understood that the bank's results will be by force of statute tabled in this place and in another place. Section 23 (4) of the State Bank of South Australia Act requires the audited accounts (and I emphasise the 'audited

accounts') to be laid before each House of Parliament. The accounts must include a balance sheet giving a true and fair view of the state of affairs of the bank as at the end of the financial year.

Determining the cause of the financial position faced by the bank is currently being considered by the Auditor-General in his investigation commissioned by the Governor on the recommendation of the Government pursuant to section 25 of the State Bank of South Australia Act. It is relevant to turn to the specific matters that the Auditor-General is required to report on in relation to the State Bank's financial position. Amongst other things, the Auditor-General is required to investigate and inquire into and report on:

(a) what matters and events caused the financial position of the bank and the State Bank Group as reported by the bank and the Treasurer in public statements on 10 February 1991 and in a ministerial statement by the Treasurer on 12 February 1991;

(b) what were the processes which led the bank or a member of the bank group to engage in operations which have resulted in material losses or in the bank or a member of the bank group holding significant assets which are non-performing;

(c) whether those processes were appropriate;

(d) what were the procedures, policies and practices adopted by the bank and the bank group in the management of significant assets which are non-performing;

(e) were those procedures, policies and practices adequate?;

(f) whether adequate or proper procedures existed for the identification of non-performing assets and assets in respect of which a provision for loss should be made; and

(g) Whether the internal audits of the accounts of the bank were appropriate and adequate.

The Auditor-General's investigation is expected to be completed soon. Under the provisions of the State Bank of South Australia Act, the report of the Auditor-General must, if he considers the report need not remain confidential, be laid before both Houses of Parliament. The Governor's direction to the Auditor-General requires any report to be presented in such a way that his findings and recommendations be considered separately from confidential information and that the confidential information be presented in a separate report or appendix. It seems very likely, therefore, that members will be in a position to examine the detailed findings of the Auditor-General. Under these circumstances there is no need for a select committee to inquire into the financial position of the State Bank.

That information is likely to be put before us well ahead of any time in which a select committee could consider such a matter. Moreover, it cannot be overstressed that inquiries of the nature being undertaken by the Auditor-General require a degree of expertise that is not generally available in the Parliament and a method of operation that is not easily, if at all, obtainable through a select committee. The member's suggestion that the bank's debt has risen since the Premier announced the indemnity arrangements in February of this year should be put into perspective. To do so, I invite members to read the Premier's statement of 12 February 1991 when he emphasised the fact that the figure used in establishing the indemnity was an estimated amount. The Premier also advised that the actual value of the indemnity would depend on factors which, by their very nature, cannot be predicted with accuracy. The Premier went on to say that future developments in property markets would have a bearing on this. The royal commission and the Auditor-General have within their terms of reference the remaining matters proposed in the motion for the select committee. The motion calls for an examination by a select committee of the interrelationships between various public financial institutions. Generally, I am not sure what good purpose such examination is likely to serve. Public institutions, whether they be financial or otherwise, are of course likely to be involved in dialogue and probably some degree of consultation and cooperation.That situation, I imagine, does not significantly differ from private organisations which form related companies.

The nature and extent of consultation and cooperation between public financial institutions is not a matter that I would have thought should cause consternation amongst us unless, of course, there is some aspect of impropriety or illegality in the way their affairs are being conducted. In those circumstances, obviously there would be some concern, but that surely is not justification for examining the relationship *per se*.

Any irregularities in business arrangements or dealings which exist between public financial institutions would be revealed in an inquiry of the type undertaken under the auspices of the Government Management Board. Indeed, as the review into the SGIC revealed:

> As far as the committee can ascertain there has been no pressure or direction by the Government or Treasury on SGIC to influence its business or its investment activities. The committee is also of the opinion that SGIC has not acted in concert with the State Bank in considering its investments. SGIC has always made investment decisions having regard to its own interests. In some respects SGIC and the State Bank have been competitors in common areas of business.

Specifically considering the State Bank, it is beyond doubt that the royal commission and Auditor-General's inquiries are sufficiently broad to ensure that any irregularities that may have occurred in the bank's dealings with public financial institutions could be revealed.

At this point, it is worth specifically mentioning that the royal commission, under its terms of reference, is required to report whether any matters should be referred to an appropriate authority with a view to further investigation or the institution of civil or criminal proceedings. Likewise, the Auditor-General must report on any matters which, in his opinion, may disclose a conflict of interest or breach of fiduciary duty or other unlawful, corrupt or improper activity and whether such matters should be further investigated.

Any irregular or improper arrangements or dealings between the State Bank and public financial institutions will therefore be the subject of a report by the two existing inquiries. It is therefore superfluous to have other quite legitimate and proper aspects of the relationships between public institutions subject to detailed inquiry. At the risk of repeating myself, I make the point that, unless there is evidence of impropriety, no public interest is served by an inquiry of the nature proposed in the motion.

The honourable member's motion contemplates a select committee inquiry into irregularities, improper, inappropriate or illegal behaviour on the part of employees of the board of the State Bank. In my comments on the proposal to examine the relationship of the State Bank with the public financial institutions, I drew the attention of members to specific provisions in the terms of reference of both the royal commission and the Auditor-General concerning improper, illegal, or corrupt activities. It is very clear from these provisions that the issues proposed to be addressed by the suggested select committee are already being dealt with. The proposal that a select committee consider these issues should be rejected to avoid unnecessary and costly duplication.

The already broad powers of the royal commission and the Auditor-General have been enhanced by legislation introduced by the Government to ensure that each inquiry can undertake thorough and unfettered inquiries. Amendments to the Royal Commission Act, amongst other things, enable the commission to secure the attendance of witnesses located interstate. Amendments to the State Bank of South Australia Act clarify the powers of the Auditor-General with respect to former bank directors, employees and other persons and enforces the attendance of interstate witnesses. In

conclusion, on that point, I stress that the royal commission and the Auditor-General have both the charter and the powers to discover and deal with any irregular, corrupt or illegal conduct in the affairs of the State Bank.

A very critical issue which needs to be dealt with arising from this motion as it relates particularly to the State Bank is the protection of the legitimate needs of the bank and its clients for maintenance of confidentiality. That issue is very adequately dealt with in both the royal commission and Auditor-General's inquiries. Those inquiries will proceed to undertake thorough and unfettered inquiries while, at the same time, not prejudicing the ongoing operations of the bank and protecting the privacy of bank customers and, therefore, the viability of the bank itself. I report that these existing inquiries are the best place to meet these two important objectives.

As members would be well aware, the Government has established a sub-board of the Government Management Board, which is chaired by a well-known businessman, Mr Brian Sallis, to review progressively the operations of Government business operations.

I turn now to the SGIC. The review of the SGIC was treated as a matter of priority by the Government Management Board and members would be familiar with the report which was released by the Government two weeks ago. The commissioning and publication of the report in full demonstrates the Government's commitment to ensuring that the operations of public sector financial institutions are as open to scrutiny as commercially possible. The findings of the review into the SGIC have been widely reported in recent weeks and I do not intend to dwell on them in this debate.

Nevertheless, the Premier stressed in his statement to the House on 8 August that it is important to keep the findings of a report such as that into the SGIC in perspective, and I quote the committee's comments:

> As with any organisation of the size and complexity of SGIC there are always some areas which do not perform as well as others. It is inevitable in a review of this type that attention should be concentrated upon these areas. This review is no exception. The committee wishes to emphasise, however, that the majority of SGIC's operations are well managed and conducted efficiently.

As the Premier outlined to the House on 8 August, the Government has already taken prompt action in response to the GMB report. The report contains 21 recommendations, of which one is a procedural proposal concerning a process for dealing with the remaining 20. Of these 20, 16 have either been agreed to by the Government, are already in effect implemented, or do not require action by the Government and three have been agreed to in principle, recognising that some further consideration of detail is necessary. The only remaining recommendation is to be the subject of further consideration in the context of the review of the Act.

I now turn to the South Australian Superannuation Fund Investment Trust. The Acts which regulate the South Australian Superannuation Fund Investment Trust establish a comprehensive set of requirements which provide for continuous scrutiny of SASFIT's fund management and investment activities and timely public monitoring of the fund's performance. The legislation provides appropriate mechanisms for fund contributors to ensure that the trust is accountable to them.

The South Australian Superannuation Fund Investment Trust has quite clear statutory obligations in relation to accounts, audit and reporting under provisions of both the Superannuation Act and the Police Superannuation Act 1990. Both Acts provide that the Auditor-General may, at any time, and must at least once in each year, audit the accounts of the fund. Each Act requires the boards operating under their respective Acts, that is, the South Australian Superannuation Board under the Superannuation Act 1988, and the Police Superannuation Board under the Police Superannuation Act 1990, to submit a report to the Minister on the operation of the Act in each year.

The trust is required to submit a report to the Minister on the management and investment of the fund in each financial year. The Act requires that this report includes audited accounts and a copy of the valuation of the fund made at the end of the relevant financial year. Furthermore, the Public Actuary is required to report to the Minister on a triennial basis on the state and sufficiency of the fund and the operation of the superannuation scheme under either of the relevant Acts. In the case of each of these reports, and in both the annual and triennial reports, the Minister is required by the Act to lay copies of the report before both Houses of Parliament.

Using the information provided in these reports, it is possible to make some comments about the fundamental issues of SASFIT's asset/liability match and investment return. The notion of SASFIT's liabilities applies only to the now closed State Pensions Scheme and the Police Superannuation Scheme. The new State Lump Sum Scheme does not represent a liability for SASFIT. The component of the scheme managed by SASFIT, the employees' contributions, is an accumulation component, with the final benefit to the employee simply being the accumulated earnings achieved by SASFIT on the employees' contributions.

On the question of SASFIT's ability to meet its liabilities to the two pension schemes, the appropriate reference is the triennial report on each scheme conducted by the Public Actuary. In this report, the actuary measures the assets and liabilities of each scheme. The assets are the accumulated contributions and earnings, together with the present value of all future expected contributions of earnings. The liabilities are the present value of all future expected pension payments and other payments on death or resignation.

The last triennial review of the State Pension Scheme was conducted in June 1989. It found that the present value of liabilities was $965 948 000, while the present value of assets was $965 373 000. In other words, the assets and liabilities are, for all practical purposes, in balance and hence the fund is able to meet its liabilities. At the same time, a review of the Police Pension Scheme showed liabilities of $131 399 000 and assets of $144 679 000: again, broadly balanced with a comfortable ability to meet liabilities.

The next triennial review will be conducted in June 1992. However, little has happened to suggest a dramatic change in the relationship between assets and liabilities over the past two years. While investment returns, and hence asset growth has slowed, low inflation and static real wages growth has also resulted in only slow growth in SASFIT's liabilities.

As I mentioned earlier, all but the new State Lump Sum Scheme are defined benefit schemes. In the Lump Sum Scheme a defined benefit component (being a multiple of retiring salary) is met by the employer while the employee's contributions accumulate at a rate reflecting SASFIT's investment performance. Broadly, the expectations of the Lump Sum Scheme are based on SASFIT earning about 4 per cent in real terms (after allowance for inflation). This will provide a contributor who maximises his or her participation in the scheme with a lump sum payment of seven times retiring salary.

It can be recorded that, in the two years of the scheme's operation, SASFIT returned an average of 14.2 per cent per annum. Over this period, inflation averaged 7.7 per cent

per annum so that SASFIT's real investment earnings averaged 6 per cent per annum. The return for 1990-91 is expected to show a continued out-performance of the 4 per cent real return target.

In a separate report, completed in August 1990, SASFIT's investment strategy was confirmed as sound. The report was compiled by independent expert consultants, Mercer Campbell Cook and Knight. Summaries of this report were provided to the Opposition in February 1991. The long-term strength of all funds under SASFIT's management is also affirmed by their favourable long-term performance compared with other major private sector funds.

I turn now to the South Australian Government Financing Authority. As already mentioned, the operations of SAFA are due to be reviewed by the Government Management Board later this year. As members well know, SAFA plays a vital role within the South Australian public sector and the State as a whole. Its main function is to act as a corporate treasury to the Government. In looking at SAFA, one should keep in mind the very conservative approach that SAFA takes with regard to its investments and operations. For instance, it avoids virtually all foreign exchange exposures; has very prudent credit policies; and has adopted a sound well-balanced approach to debt management. The conservative framework that SAFA has established has been a key factor in its success.

SAFA recorded a surplus of $336 million in 1989-90. It was budgeted to contribute $270 million into the general revenue of the State in 1990-91. The Treasurer is due to table SAFA's accounts tomorrow when he hands down the budget. At this stage, as honourable members would be well aware, backbenchers are not very well informed as to the contents of the budget, and we will find out tomorrow as will members opposite. I am confident that, notwithstanding the difficult economic conditions of the past year, SAFA will again make a positive contribution to State finances. An indication of the financial prudence of any financial institution can be gauged by its debt management policies and its asset quality.

In relation to debt management, SAFA takes a very prudent and conservative approach to debt management by not taking a strong or overly exposed position on likely interest rate developments. SAFA approaches the market on a regular basis and spreads its borrowings for fund raising purposes across a broad maturity spectrum. Likewise, SAFA has a general policy of avoiding foreign exchange exposure on borrowings, by swapping into Australian dollars or acquiring matching assets.

Regarding asset quality, investments made by SAFA are subject to credit guidelines approved by the board and the Treasurer. SAFA's credit guidelines were comprehensively reviewed during the second half of 1989-90. Credit limits are established with reference to credit ratings assigned by major credit rating agencies, although credit ratings alone do not determine the credit limits applicable. The minimum long-term credit rating generally required for long-term domestic investment in banks and non-bank corporates is A-plus. Both domestic and overseas investments are normally restricted to marketable securities. None of SAFA's debt investments is classified as non-performing.

During the year, the SAFA Board has requested that a review of SAFA's credit exposure reporting systems be undertaken. The review was conducted by the auditing firm Deloitte Ross Tohmatsu and concluded that management controls in this area of SAFA are particularly strong, due mainly to the controls exercised by the officers responsible for managing credit exposures. The review also noted that satisfactory systems were in place, with plans for modifications to improve further the level of control.

In conclusion, as I stressed from the beginning, this Government welcomes the increased scrutiny and review of Government financial institutions. As a Government we have not shied away from such reviews. The reviews conducted to date have been full and open. As stated, there has already been a full and comprehensive review of SGIC, and currently there are reviews under way or planned for the State Bank and SAFA, as well as for other institutions. I do not believe it is appropriate or necessary under these circumstances to duplicate this work by establishing a select committee. Therefore, I strongly urge members to oppose the motion.

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

STATE TRANSPORT AUTHORITY

Adjourned debate on motion of Hon. I. Gilfillan:

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 of 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 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.

(Continued from 21 August. Page 354.)

The Hon. I. GILFILLAN: In speaking to the motion for the establishment of a select committee to inquire into and report on the State Transport Authority, I believe it is relevant to examine and summarise the proposed terms of reference for that committee. This committee's task would be significant, because of the complexity of reviewing and understanding the needs, requirements and obligations expected by the community of a public transport system while, at the same time, understanding the planning and resource limitations imposed by Government via funding and subsidies.

With that in mind, I would like to refer to the terms of reference for the select committee. I have proposed that the committee inquire and report on the efficiency, effectiveness and appropriateness of the STA along with other urban public transport services in Adelaide's metropolitan and adjoining areas. I believe it is of paramount importance

that any review of the STA's operations include this reference. For example, it may well be that some existing services are being run efficiently but are not as effective as might be expected because the service has not kept pace with a rapidly developing new housing area. In that case, it may seem more appropriate for that service to be rescheduled, redirected or have its frequency increased during peak times.

At the same time I believe that the committee must investigate the economic, environmental and social costs and benefits to be obtained from public funding of urban public transport. This could very well lead the committee to look at transport options for the future based on a different set of criteria than is now the case, with much of the current planning and operations of the STA. According to the STA's five year corporate plan, the automobile will continue to grow in numbers on our roads, and car ownership levels will also rise, leading to a significant increase in traffic congestion during peak times.

It is of particular concern that the STA's five year corporate plan predicts a substantial increase in the number of cars on our roads. We as a Parliament—the Government, the Opposition and certainly the Democrats—have emphasised over and over again how detrimental, environmentally and economically, it will be for us to rely increasingly on fossil fuelled personal forms of transport—cars, trucks or motorbikes. It is alarming that we are being told, through the STA's corporate plan, that we are virtually locked into increasing automobile growth. I believe that we must fight to hold it at its current level and, if possible, reduce it.

It hardly needs to be stated that any increase in car useage will have a dramatic effect on our current environment. In fact, it will only add to the malaise that has beset our cities since the 1950s as urban planning requirements have, for the most part, not taken heed of the public transport needs of our growing cities. Currently, Adelaide's car ownership rate is .47 cars per person, with 87 per cent of households owning a vehicle, despite quite sharp increases in fuel and registration costs in this State in recent years and a significant rise in public transport subsidy.

People are using public transport less, which has affected the efficiency of our public transport sector, while, at the same time, the real cost of maintaining our existing public transport system has risen. According to this month's edition of *Transit Australia*, published by the Australian Electric Traction Association, within the next 10 years the rate of car ownership in Adelaide is expected to rise to approximately .55 cars per person, an ownership rate among the highest in the world. Indeed, the Government's Vision 2020 paper released earlier this year claimed the car would remain the major form of mobility in our city for the majority of people well into the middle of next century.

I express alarm and concern that we are not emphasising that this must not be allowed to occur. Environmentally it will spell disaster if the world heads down the track of the increased use of fossil fuel burning personal transport. If that is the case then I believe the current strategy for our public transport system has already run off the rails and needs immediate attention to rectify and improve its position in the community.

With the threat of greenhouse increasing and the depletion of the ozone layer, we, as a society, have an obligation to take steps that will slow down the rate of self-imposed environmental decay. Basing community mobility on the continued reliance on a mode of transport that uses a diminishing supply of fossil fuels is both irresponsible and impractical. The 1990 publication of Greenpeace *Global Warming* warns that existing supplies of oil will be almost depleted in the next 70 to 80 years and points out that no significant new oil fields have been discovered in Australia since 1972.

Therefore, we must turn our attention and skills to developing alternative forms of energy and fuels that are both clean and renewable. Private cars and commercial vehicles account for more than 70 per cent of all fossil fuels used by the transport sector and are therefore contributing heavily towards the pollution of our environment. I believe there is a major challenge facing all Governments in relation to this issue, especially in such an energy intense society as Australia: that is, reducing our fossil fuel dependence while at the same time meeting the social obligations of the public by providing efficient, reliable and clean public transport and reducing the community's reliance on cars for its principal mode of transport.

The STA predicts that in the next decade Adelaide's population is expected to increase from its current level of 1.06 million to 1.17 million. However, this figures does not include the Government's proposed MFP project which could see population numbers increase much more dramatically. Although this is a relatively slow growth rate it is significant in its impact on our urban development and the use of modes of transport. In simple terms this translates to an annual population growth rate of just under 1 per cent per annum.

We can expect the largest growth areas in that time to occur in Adelaide's northern and southern suburbs. Areas such as Munno Para, Salisbury, Tea Tree Gully and Gawler can expect increases of up to 56 000 people, while the southern areas of Noarlunga, Willunga and Happy Valley will see population increases of more than 40 000. Already people in these expanding areas complain that public transport needs are not being met and, unless there is a rapid change in the way we plan and administer transport policy in relation to urban planning, there will be little chance of keeping pace with population increases and demands.

New housing developments both north and south of the city have already outstripped existing transport services and the STA is struggling to provide adequate services in those areas while, at the same time, maintaining services closer to town. A select committee can examine the advantages and disadvantages of alternative methods of providing transport services and look at alternative relationships between service providers and Governments.

In the next 10 years it is estimated that Adelaide's city work force level of around 74 000 will rise to more than 81 000 and even if public transport can maintain its market share of peak time city trips, which currently stands at 34.5 per cent, we will be confronted by an additional 4 000 motor vehicles travelling to and from the city at rush hour. It will not be possible simply to provide more roads for more vehicles. The per kilometre road cost is too high, the environmental damage is too much and the impact and intrusion into existing metropolitan areas could not be tolerated.

However, it is possible via public transport to move large numbers of people from point to point with a minimum of impact on the surrounding community and it is appropriate for this committee to address the issue. Of particular significance in any debate over public transport needs and the mobility of people within the community is the demographics of our urban population. Adelaide's age profile will change substantially in the next 30 years and that change will have a direct effect on the housing, service and transport needs of that population.

By the year 2021 we can expect to see a far higher proportion of our population in the 65 years-plus age group, while there will be a corresponding decrease in the 14 years and under age group. This will have a direct impact on the

range and type of services that will be demanded by the community and must be planned for well in advance. Currently, 67 per cent of Adelaide's population falls into the 15 to 64 years age group, with just 13.5 per cent being 65 years and over.

However, this will change so that within 30 years almost 18 per cent of our urban population will be aged 65 years and over. The impact this will have on transport requirements is obvious.

Fewer people will be taking part in peak hour journeys while a greater number will be looking to public transport to service their needs much nearer to their community. Currently, localised community services are poor, with the STA contributing very little directly to cross community transport services. Much of this demand is being taken up by community bus services and taxis, with the car remaining the principal mode. This aspect will have to change.

I have long been an advocate of public transport and believe we must have a diverse and constantly changing transport sector that meets the needs of the community. I believe one of the main options for the future lies in the establishment of a flexible light rail system. It has the capacity to move large numbers of people from point to point quickly and efficiently. It has a low impact on the environment, is a safe form of transport and can be fuel efficient.

The Glenelg tram is the logical basis on which to develop an integrated light rail system. In late 1990, the South Australian branch of the Electric Traction Association released a paper which recommended that the Glenelg tram line be extended from its current Victoria Square terminus through the centre of the city to North Adelaide. The association recommended that new stops be incorporated to include the King William/Currie Street intersection, with an additional stop linked to the Adelaide Railway Station and on through to North Adelaide. This popular mode of transport, using a dedicated line, could easily form the basis of an expanding light rail system that could be integrated to other feeder systems, such as the O-Bahn and the major existing rail links that currently service the northern and southern suburbs.

The STA's corporate plan focuses on the development of a transit link concept which is to provide for fast, high frequency trunk services between major regional centres and the city centre. To achieve this the STA estimates that it must improve its peak hour patronage by at least 4 per cent and lift its off-peak capacity by at least 10 per cent. However, the STA believes it must also reduce expenditure by 4 per cent and improve its operating cost recovery from 43 per cent to 50 per cent with an overall cost recovery level approaching 42 per cent.

This is a tall order, but I believe it can be achieved and has benefits for many commuters, especially city workers at peak time. However, it does not tackle many of the issues I have already raised, such as the changing face of Adelaide's age profile and the demands this will have on public transport, nor does it come to grips with the need for integrated cross suburban services to be increased; nor does the plan deal effectively with the rail issue.

Rail has suffered the most over the years, and this current Government has done little to address the needs and demands of the community when dealing with the rail issue. We have seen services cut back, community needs ignored and a draconian approach to dealing with the future of rail workers. This culminated in a four week rail strike in June/July this year after the Minister arbitrarily removed train guards from the system and attempted to replace them with transit officers to deal with a perceived youth crimewave hitting some rail services.

I approached the STA and the Australian Railways Union at the time of the strike and offered to mediate at a behind closed doors conference between the affected parties in an attempt to resolve the crippling dispute. The union was more than happy to hold talks but the STA backed off after signalling initial interest at the suggestion, and it all came to nothing. The dispute rolled on for another 10 days and in the end all parties, including the Minister, had to step back and reach a compromise. The effect on the public's perception of rail as a transport option was dramatic. The public was angry, and rightly so.

But those who support and recognise the vital role that rail has to play in a community in the future were devastated by the part the Minister had played in deliberately allowing the rail dispute to escalate. The State Government was actually quite happy for the strike to drag on as long as it could because for each day the trains did not run hundreds of thousands of dollars were saved at a time when this Government is struggling to manage its financial affairs.

The Hon. Anne Levy: That's not true.

The Hon. I. GILFILLAN: No?

The Hon. Anne Levy: People weren't stood down.

The Hon. I. GILFILLAN: The interjection is that people were not stood down and, therefore, money was not saved. Obviously, money was saved because trains did not run.

The Hon. Anne Levy: There was some saving, but not hundreds of thousands of dollars.

The Hon. I. GILFILLAN: Okay. The issue of the total amount saved could be calculated, but I will not debate the Minister on that issue at this stage. Much more important is the point that train commuters were alienated from their normally reliable form of transport. That is the major issue.

Many within the Labor Party itself are not happy with the way this curent Government administers its transport policy and, as recently as this past weekend, 24 and 25 August, a motion was put at the State ALP conference that the Government reserve its decision to remove the guards from the trains and return the system to how it operated several months ago. The Minister, reportedly, was angry that his authority was being challenged but the event only helped to underscore the poor grip the Minister has on public transport realities. It has been a portfolio of failure for Mr Blevins and his policy application has been directionless and lacking in understanding of the needs and complexities of a viable public transport sector.

Last Saturday we had another example of poor management of the rail system when trains running north and south of the city were switched to opposite platforms, without passengers being properly informed. Subsequently, northbound commuters wound up heading south, as a result of the last minute switch, leaving people angry and confused by this latest episode in our long running transport saga.

A select committee would examine the measures necessary to ensure the community benefits of urban public transport are continually maximised in a changing environment by paying particular attention to industry structures and the roles of Federal and State Governments and local government that provide the flexibility to adapt to change.

The committee must investigate thoroughly the levels, sources and methods of public funding that maximise community benefits while at the same time examining the organisational and management arrangements that encourage continual improvement in performance, especially in respect of customer service and efficiency.

Public transport is undergoing significant review and change across Australia. The national capital, Canberra, is

moving towards the establishment of a light rail system that will meet the needs of its expanding community well into the next century.

Melbourne is moving to incorporate new generation double-decker trains into its rail system, along the lines of those already in use in New South Wales. Sydney has also expanded its electrification of trains, and there are moves to save land corridors for the future establishment of a light rail system. In addition, the New South Wales State Transit Authority has reported it is close to a break-even financial position on its bus and ferry operations, which highlights that public transport can be financially effective and subsidy levels minimised.

Queensland's Gold Coast has began expanding its monorail system, and the Brisbane City Council has taken the novel step of promoting its public transport system by offering its councillors bus passes instead of cars. Meanwhile, South Australia's public transport system is labouring under the continued scatter-gun effect of *ad hoc* policy and, unless there is a comprehensive review of the STA and all of its operations with effective solutions produced, the future of the system will be bleak.

In concluding, I urge members to support the establishment of a select committee. I realise that we have a proliferation of select committees on our agenda and workload—

The Hon. Anne Levy: You can say that again!

The Hon. I. GILFILLAN: Sharing with the Minister on duty, I believe that several of the committees should have brief lives and hopefully will be terminated. However, one should not fail to proceed with the move to establish select committees in areas that are deemed to be of long-term benefit to the State, and I would urge members to consider the establishment of this committee as just one such committee. It is important for members to recognise that the terms of reference are not aggressive. They are not specifically critical, and this has been a deliberate effort on my part to ensure that the committee will launch its work with a wide set of terms of reference, with constructive rather than critical or destructive goals in mind.

I also believe that the STA will welcome such a committee, and that it will see this as an opportunity for it to put its case and spell out its vision about what can be done for public transport in this State. I know that valuable work has been done by the STA in relation to forward thinking, and that should be made available to a committee of this place to consider.

It is no good saying that we have plenty of time and that we can leave this matter until the pressure of business is less. We have already seen how long lead times are required and the fact is that the planning done now will affect public transport for 40 or 50 years down the track. So, I believe it is a case where we need to have a committee that can analyse the current situation as well as look to the future. Having done its work under these terms of reference, the committee will provide to the Parliament and the people of South Australia a very valuable report to help plan our public transport requirements for the twenty-first century.

The Hon. T. CROTHERS secured the adjournment of the debate.

The Hon. L.H. DAVIS: Mr President, I draw your attention to the state of the Council.

A quorum having been formed:

PROSTITUTION BILL

Adjourned debate on second reading.

(Continued from 21 August. Page 358.)

The Hon. DIANA LAIDLAW: I support the second reading of this Bill, and I support the mover's contention that prostitution in this State should be regulated. However, I have objections to and reservations about various provisions in the Bill which I shall address after outlining why I believe that prostitution should be decriminalised. As all members are all too well aware, prostitution is a complex and controversial subject. It arouses strong views based on moral and religious grounds and involves difficult questions about the status of women, the exploitation of girls, health and welfare matters, residents' rights and local government planning powers, police practices and resources, and criminal activities.

I do not approve of the practice of prostitution. In fact, I find the practice distasteful and demeaning, not just for women generally but also for men who, in the main, are the clients. Indeed, based on estimates for other Australian cities, it is considered that approximately 4 000 men buy sex each week in South Australia from a relatively small number of women—approximately 400 was the estimate in last Saturday's *Advertiser*, a figure inflated because of the current recession. When I put aside my personal views and try to look at this complex issue in a detached way, it is impossible not to conclude that, in terms of sexual and sexist activities, our society is riddled with double standards and our laws on prostitution are equally contradictory, discriminatory and illogical.

For instance, why is it an offence in South Australia to receive money paid in a brothel but not to pay money in similar circumstances? Why is the supplier of the service, generally a woman, stigmatised as a criminal, but not the client?

The Hon. Anne Levy: That's easy—because she is a woman!

The Hon. DIANA LAIDLAW: I accept the interjection from the Minister. When two consenting adults agree to engage in prostitution, a victimless crime, why can the prostitute be prosecuted but the client be allowed to go free? Why do our laws impose penalties on some but not all who work as prostitutes or who live on the earnings of prostitution? Why is prostitution an offence if conducted in a brothel but not an offence if carried on under the guise of an escort agency?

If one pursues such questions it seems reasonable to reflect on the fact that, if exactly the same sexual act is performed but no money changes hands, it is not an offence. Adultery is not an offence. It may be regarded as immoral but it is not an offence on our statute books. Nor is it an offence if a man takes a woman to dinner, a film or a play, pays for her meal or her ticket and they later engage in sexual activity. At best I suspect there is a fine line of distinction between this form of sexual activity and payment, involving consenting adults, and that of prostitution.

The Hon. T.G. Roberts interjecting:

The Hon. DIANA LAIDLAW; I do pay for my dinner, film and play, in part—I suggest to the Hon. Mr Roberts—because of inferences from male friends in the past that their payment should be repaid.

Prostitution laws in this State discriminate against women. Prostitution laws are also ineffective in protecting women against exploitation. This sad fact was graphically highlighted earlier this month in Victoria when a county court judge handed down a lesser sentence for a man found guilty of rape because he considered the gravity of the crime was lessened because the victim was a prostitute. The offender, who pleaded not guilty, received three years gaol for rape, 18 months for indecent assault, and 15 months for kidnapping. The maximum term is to be three years and four

months and the minimum term 16 months, but with remissions the offender may serve less than a year. It was the judge's considered view that because prostitutes are involved in sex as a business rape was likely to cause them less psychological harm than other women. For her part, the prostitute recognised that her job was not risk free, but she would not accept being raped at knife point.

I believe most caring individuals in our community—and even some Christians—would agree with the victim's assessment and damn as an unfortunate expression of opinion the judge's suggestion that prostitutes have less right than other members of society in regulating the integrity of their body. Judge Jones' sentence in Victoria last month proves beyond doubt that our laws, which criminalise women who work as prostitutes, make it difficult for prostitutes to resist exploitation and coercion. The sentences may sadly increase the vulnerability of prostitutes to foul deeds by clients, including attack, robbery, and even rape, because the illegal nature of their activity makes it difficult for them to complain to police or seek police protection.

Women who work as prostitutes are often poor and undereducated. That is not always so, but from research that would generally appear to be the case.

The Hon. M.J. Elliott: And law students.

The Hon. DIANA LAIDLAW: Many of them have few other job choices. This reality was highlighted in the *Advertiser* last Saturday, in an article headed 'Record Vice Arrests in Recession'. Both Chief Superintendent McKenzie and representatives of the Prostitutes Association of SA acknowledged that in periods of economic downturn, such as the current recession, there is an increase in the number of people who turn to prostitution simply to raise extra money, to survive.

The Hon. Mr Elliott interjected about prostitution practices amongst university students, even law students. A cousin of mine, who has just completed a law course at university, would confirm that that was so, although he tells me that he did not participate on a paid basis. This fact is a damming indictment on those responsible for the recession we have been told we had to have. The architects of the recession are the guilty parties and the people who resort to prostitution as a desperate means to survive economically are the victims, yet it is the victims who are currently the focus of the full force of the law.

Prostitution laws also raise questions about enforcement costs, crime, corruption and health related issues. The cost of prostitution laws is not limited to police, court or other resources expended in investigating offences but includes the costs associated with prosecuting offenders, collecting fines and imprisoning prostitutes. Also due to the demand for prostitution, criminal sanctions have created a black market, which from time to time has encouraged police corruption and criminal involvement.

The Fitzgerald inquiry in Queensland recognised the link between criminalisation of prostitution and corruption, and the link was acknowledged last week by the Anglican Archbishop of Adelaide the Most Reverend Ian George. He called for decriminalisation of prostitution as soon as possible, believing that such a move could help fight crime and improve the observation of adequate health standards.

A recent Commonwealth Government paper on AIDS recognised that laws punishing prostitutes are at odds with public health objectives. However, because prostitution, or at least some forms of prostitution, are deemed illegal, women tend to work secretly, making it even harder for them to be reached by health workers. To that statement, I would highlight the irony of the problem where women, who practise safer sex, have had their condoms seized by police to provide evidence that they were working as prostitutes.

South Australia's prostitution laws are unjust; they are discriminatory and contradictory. I do not believe that this injustice can or should be tolerated because we in this Parliament might find the practice personally abhorrent, or we may simply wish it to go away. It will not go away. As long as there is a demand for the service—and it seems that men's appetite for paid sex, irrespective of their social background, is unlikely to disappear in the short term—the service will be supplied.

The vexed question, therefore, is upon what terms should the service be supplied and regulated. In promoting the reform of our prostitution laws, I am anxious to ensure that prostitution is not institutionalised or encouraged to flourish. I note that the Hon. Ian Gilfillan, when concluding his second reading speech, was of the same opinion.

The Hon. R.J. Ritson: His Bill does just that.

The Hon. DIANA LAIDLAW: Well, that is the opinion of one honourable member, Dr Ritson—it is not my view. As I was saying before I was interrupted, the Hon. Ian Gilfillan, when concluding his second reading speech, said:

> I ask honourable members to regard the Bill as I have introduced it not as a Bill for promoting prostitution but, rather, one for regulating prostitution.

Mr Matthew Goode, consultant to the Attorney-General and author of the information and issues paper, the Law and Prostitution, argued on pages 101 and 102 that any change to the role of the criminal law as regulator of the industry should not take the form of a Bill designed to produce a Prostitution Act where most if not all the relevant law is contained. He noted that generally serious criminal offences were to be found in the Criminal Law Consolidation Act and more minor offences in the Summary Offences Act. Also, he noted that the Attorney-General has accepted the proposition that it is desirable to codify the criminal law in South Australia.

I have some sympathy for the logic of Mr Goode's arguments, but the fact remains that issues relating to prostitution are rarely debated on logical grounds. The subject of prostitution always inflames passionate emotions. Therefore, I believe it is most important that the public is aware that this Parliament is being asked to consider a reform of our prostitution laws. A separate Bill, such as the one before us, is one way of helping to promote such awareness. At a later stage, if and when it proves possible to amalgamate the Criminal Law Consolidation Act and the Summary Offences Act, I suspect it may be appropriate to incorporate, in one all-embracing Act, any new offences relating to prostitution, but not at this time.

The Bill before the Parliament builds upon the Bill introduced by the Hon. Ms Pickles in August 1986. However, a number of new features are proposed, including the establishment of a Brothel Licensing Board consisting of five members appointed by the Governor.

As Mr Goode noted, this initiative is novel. It is also central to the functioning of the reforms proposed. The board at least establishes a licensing system—which was a remarkable omission from the Pickles Bill. I have reservations, however, about the need and desirability for establishing a statutory committee to oversee the licensing system. I know that some of my colleagues will take extreme exception to such a committee.

I am also most uneasy about the autocratic authority that the Hon. Mr Gilfillan seeks to bestow on the board. It is proposed the board will have the following functions:

(a) to determine applications for licences to operate brothels and for renewal of such licences;

(b) to approve brothel managers;

(c) to keep licences and approvals under review and to suspend or cancel them where necessary or desirable;

(d) to cause investigations to be made by the Police Force of complaints (including complaints by prostitutes) relating to the management of licensed brothels; and

(e) to inform itself and report on the state of health of prostitutes and conditions of employment in brothels.

Section 17 (2) also provides that the board has an absolute discretion to grant or refuse a licence. There are no rights of appeal, which is an interesting omission considering the Australian Democrats' strong commitment for third party appeals in all other planning related legislation.

The functions of the board freeze local councils out of the licensing system. I do not believe that this is necessarily appropriate. If brothels are to be approved in a council area, surely the respective council should be involved in the decision-making process. I recognise, of course, that the local councils would be involved in having to change their zoning systems and perhaps even their definitions of a business in respect of small brothels. So, local councils would have some considerable say in the planning process. It would not be necessary, in terms of any application considered by the Licensing Board, for the applicant to nominate where they wish that brothel to be located.

It is regarding that point that people believe local councils should have some interest in this matter. After all, councils will bear the brunt of complaints from ratepayers about nuisance and noise. I note that in Victoria, local councils are entrusted with the power to grant or refuse a licence and that, initially, very few, if any, licences were approved, although some of the rejected applications were later overturned by the Planning Commission. Today, four years on, councils in Victoria appear to have become more confident—perhaps competent—about their responsibilities, and the rate of initial approvals has now increased.

Earlier this week I spoke with representatives of the Local Government Association and planning officers in several councils to ascertain their views on the Bill. I was surprised to learn that no person to whom I spoke had been provided with a copy of the Hon. Mr Gilfillan's latest Bill, including amendments. I was advised by the Local Government Association that some time ago the State Executive of that association passed several resolutions in relation to the Bill but that these resolutions were to be reconsidered following the release of Mr Goode's Information and Issues Paper. I was also advised that the Local Government Association has now prepared a questionnaire which is to be forwarded this week to councils, seeking their opinion on various provisions in the Bill. The questionnaire addresses matters such as whether:

1. Local Government is the appropriate body for:
   - licensing and planning, subject to an amended Planning Act; or
   - planning only, subject to an amended Planning Act with a separate Licensing Board to control all other aspects.
2. The Planning Commission is the appropriate body for determining planning approval subject to an amended Planning Act. Licensing should be handled by:
   - local government; or
   - a separate Brothel Licensing Board.
3. A Brothel Licensing Board is the appropriate body for determining licensing subject to amendments to the Bill and planning approval should be decided by:
   - local government; or
   - the Planning Commission.
4. A Brothel Licensing Board is the appropriate body for determining approval for licensing and planning with no local government involvement:
   - subject to amendments to the Bill; or
   - with no amendments to the Bill required.
5. A Brothel Licensing Board is the appropriate body for determining approval for licensing and planning but there should be amendments to the Bill:
   - to ensure that local government policy and planning (when not directly inconsistent with the Act) are a guide to licensing; or
   - to include a process of notification, hearing of objections and a process of appeal; or
   - to expand the licensing to include small brothels; or
   - to expand the provisions regarding restricted zones to include areas where children and other sensitive populations congregate; or
   - to ensure that policing illegal brothels is the responsibility of the Police Force and not local government; or
   - to ensure that local government inspectors have a right of entry to brothels to conduct necessary business; or
   - to ensure that advertising is limited.

There is a further question relating to brothel licensing and planning and whether or not local government policy and planning are a guide to licensing, and other matters. Essentially, those questions are the same as in question 5 with respect to the Brothel Licensing Board. It is my view that all those questions are legitimate and I would appreciate advice from the LGA when it has compiled the feedback on that questionnaire.

Today, I advised the Secretary-General of the Local Government Association, Mr Hullick, who has written to me about this Bill, that I believe it is appropriate that debate on the Bill be delayed until responses from councils have been collated. We certainly should not be voting on this Bill until then. It is anticipated that these responses will be available late in September or early in October.

In the meantime, I hope there will be an opportunity for members in this place, and possibly even the other place, who believe it is appropriate that prostitution be decriminalised to meet together—and possibly with Mr Goode—to canvass concerns that they may have and that I have about the implications of various aspects of the Bill. For instance, I have reservations about the proposed health controls. Perhaps this matter should be addressed through existing health legislation and the STD clinic. Certainly, to be effective the health controls require the cooperation of prostitutes.

Also I am concerned about the omission of any reference to the operation of escort agencies. While prostitution is not an offence at present if carried on under the guise of an escort agency, it is possible this legislation relating brothels could see all prostitution practices conducted through escort agencies in future—without regulation. Surely it is not beyond the wit of members to bring escort agencies under the ambit of this Act. In this regard, I know that child prostitution is a growing problem, particularly in association with escort agencies. I am keen to see further discussions on the provisions in this Bill relating to child prostitution and the enforcement of those provisions.

I note that Mr Goode suggested that this matter may be able to be addressed more effectively than at present by the implementation of reverse onus of proof provisions, and I believe such a proposition has merit. As proposed by Mr Goode, the following provision in relation to the employment of a child as a sex worker would apply:

> ... that it be a criminal offence punishable by a maximum period of imprisonment for seven years for any person to employ a person under the age of 17 as a prostitute, and that *(a)* the employer must have the burden of showing a reasonable belief that the employee was over the age of 17 and *(b)* proof that the child was found on the premises of a brothel while that brothel was open for business is *prima facie* proof that that child was so employed, unless the contrary can be proven. Such an offence

makes it unnecessary to also have an offence of living off the earnings of child prostitution with all its attendant problems of proof and application to the normal course of trade.

The reversal of onus is justified as the facts in issue ought to be within the knowledge of the accused, and the police ought to have the power to intervene where a child is found on brothel premises in suspicious circumstances but where there is no 'caught in the act' situation—an event unlikely to arise and foolish to rely upon. It may be thought necessary, in light of the Victorian experience, for police to be given the power to require the names and addresses of all employees on the premises, and that there be a power in a licensing authority or court to summons a witness to attend.

When the Hon. Ms Pickles' Bill was debated, I expressed concern about whether 100 metres was an adequate distance for brothels to be established from schools, kindergartens, child-care centres, churches and the like. At that time I suggested that 250 metres might be more appropriate; I remain of that view, as I have suggested before, that more work has to be done on the issue of the operation of small brothels. A small brothel is operating near the home that friends of mine have purchased in North Adelaide. While I know that that operation is illegal at present, it does not seem that the police or anyone else are keen to enforce the current law. But it is distinctly uncomfortable for my friends, their children and other people living nearby. Under the terms of this Bill, it would be a small brothel. That issue must be addressed by us in this place in our attempts to reform the law.

Finally, I commend the Hon. Mr Gilfillan for his diligence—and indeed his courage—in introducing this Bill. South Australia's prostitution laws are contradictory, discriminatory and unjust, and they require reform. I am keen to assist Hon. Mr Gilfillan in pursuing the necessary reforms, but in this process I hope that he will be prepared to accommodate some of the concerns I have in relation to his Bill—concerns which I know are shared by some other honourable members in this place. I look forward to hearing the contributions from other members and, ultimately, to the passage of legislation to regulate prostitution in South Australia.

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

CRIMINAL LAW CONSOLIDATION (SELF DEFENCE) AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 13 August. Page 57.)

The Hon. ANNE LEVY (Minister for the Arts and Cultural Heritage): In restoring this Bill to the Notice Paper, pursuant to the Constitution Act, I point out that the Bill was originally introduced by me on 10 April this year. I suggest that, rather than my taking up the time of the Council by giving an identical second reading explanation, members may care to turn to the *Hansard* of that date for the formal report on the Bill.

The Hon. J.F. STEFANI secured the adjournment of the debate.

WRONGS ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 27 August. Page 474.)

The Hon. ANNE LEVY (Minister for the Arts and Cultural Heritage): This Bill was originally introduced in this Chamber by the Attorney-General on 7 March this year. Rather than take up the time of the Council in reading the second reading explanation, I suggest that members check the *Hansard* of that date to remind themselves of it.

The Hon. J.C. IRWIN secured the adjournment of the debate.

PARLIAMENTARY COMMITTEES BILL

Received from the House of Assembly and read a first time.

ADJOURNMENT

At 5.54 p.m. the Council adjourned until Thursday 29 August at 2.15 p.m.