# LEGISLATIVE COUNCIL

Thursday 24 October 1991

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

## QUESTIONS

### UNEMPLOYMENT

**The Hon. R.I. LUCAS:** I seek leave to make an explanation before asking the Minister of Small Business a question about unemployment.

Leave granted.

**The Hon. R.I. LUCAS:** Members would be aware of the reports in both the local and national press earlier this week that the Hawke Government has been given indications that unemployment will hit 11 per cent by the June quarter of 1992. The indication, contained in a document marked 'Cabinet—in confidence', was prepared by the Department of Employment, Education and Training (DEET) and dated 15 October this year. This secret report also predicted that more than 946 000 people will be out of work by June next year.

At the same time the *Advertiser* reported last Monday that here in South Australia unemployment could hit 11.4 per cent and would remain at more than 10 per cent for the next five years. As South Australia's jobless rate consistently runs at .5 to 1 per cent higher than the national average—

**The Hon. L.H. Davis:** The fault of small business!

**The Hon. R.I. LUCAS:** Yes, as my colleague says, it is the fault of small business, and not the Government—the prediction by the South Australian Chamber of Commerce and Industry of 11.4 per cent unemployment might, if anything, be erring on the conservative side. The chamber's prediction is based on its information that the State's manufacturing sector is struggling to maintain current employment levels because of the recession and because they are being clobbered by increased taxes, WorkCover levies and other factors. These factors included high interest rates, inefficiencies in electricity, water and transportation and telecommunication services.

If the chamber's prediction comes true, tragically it will result in another 5 000 South Australians being out of work. We are now little more than a month away from the end of the 1991 school year, and the flood of school leavers on the job market—a market that is very depressed in opportunities for work—means that there is a need for some urgent State Government action on unemployment. My questions to the Minister are:

1. Does the Minister agree with predictions that South Australia's unemployment rate will hit 11.4 per cent next year?

2. Will the Minister obtain information on what predictions have been made available to the Government by economists within State Treasury about the possible peak level of unemployment in South Australia?

3. Will the Minister outline what new initiatives the State Government has planned to address the likely large increase of jobless due to the influx of school leavers at the end of this year?

4. Does the Minister accept that the Bannon Government itself must accept some responsibility for the level of unemployment in South Australia?

**The Hon. BARBARA WIESE:** I will be happy to seek information from relevant Government agencies as to predictions that may have been made about future unemployment rates in South Australia. I will also be happy to provide information for him about Government initiatives in the area of employment.

Already several initiatives have been outlined by appropriate Ministers. The general policy of the State Government has been to assist in whatever way possible to prevent any dampening of the economy that would prevent employment. The honourable member will be aware of the measures in the budget which were specifically designed to encourage businesses as much as it is possible for a State Government to influence these matters in the economy. I can assure the honourable member—

**The Hon. R.I. Lucas:** You don't have any responsibility at all?

**The Hon. BARBARA WIESE:** —that this Government is as concerned as anyone, and I suggest more concerned than the Hon. Mr Lucas, about the rising levels of unemployment in our community. We are extremely concerned about it.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. BARBARA WIESE:** To the extent that it is possible for the State Government to influence decisions that will encourage businesses to employ people in the workforce, we are doing as much as we are able to do.

**The Hon. R.I. LUCAS:** As a supplementary question, will the Minister answer the question whether the Bannon Government accepts that is has some responsibility for the level of unemployment in South Australia?

**The Hon. BARBARA WIESE:** I think that is a foolish question.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. BARBARA WIESE:** I think I have answered the question in an appropriate way. This Government does not accept the levels of unemployment that exist in our community. We believe that they are much too high. To the extent to which it is possible for a State Government to influence the economy and to encourage companies to employ people, we are taking that action. I do not believe that the State Government is part of the problem at all. I believe that the State Government, during the past few years, has taken a very responsible approach to the extent that it is possible for it to influence these matters.

The honourable member will be aware that over a period of years we have adjusted the payroll tax system, the land tax system and various other areas of taxation and Government charges in order to encourage employment. If we were able to do away with some of the taxes that work directly against employment that would be our first preference, but neither the Hon. Mr Lucas nor anyone else for that matter has been able to come up with any suggestions that would enable us to do those things in the Australian economy. Until we are able to restructure Australia—

*Members interjecting:*

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

**The Hon. BARBARA WIESE:** —and to provide alternative sources of revenue, it will not be possible for some of those forms of taxation to which I have referred to be done away with.

*Members interjecting:*

**The PRESIDENT:** Order! The question has been asked of the Minister. If members want to hear the answer, I suggest that there be silence in the Chamber.

**The Hon. BARBARA WIESE:** To the extent to which it is possible for State Government to influence these matters, I believe that this Government has acted in a responsible way.

## LOCAL GOVERNMENT TAXES

**The Hon. K.T. GRIFFIN:** I seek leave to make an explanation before asking the Minister for Local Government Relations a question about local government taxes.

Leave granted.

**The Hon. K.T. GRIFFIN:** The President of the Local Government Association, Mr David Plumridge, says in the latest *Council and Community* magazine that local government is 'seeking a new tax which would have a progressive base, a growth factor and an equitable distribution impact'. That article states:

> Such a tax would be set annually by local government in consultation with the State Government at a level which was considered to be politically acceptable and for which we would carry the responsibility and odium for the outcomes. Distribution of the tax would then be the task of local government by means of a mechanism such as the Grants Commission. Ideally, the tax levels would be based on a three-yearly rolling budget process so that councils could plan their budgets with certainty.

Whilst this, according to Mr Plumridge, would 'relieve the State of the need to make annual contributions to local government', ordinary South Australians will be appalled at the prospect of having to pay up yet another tax. Yesterday, the *Advertiser* reported that a spokesperson for the Minister said that this was a matter the Government was examining. Is the Minister seriously examining the possibility of a new tax for local government and, if so, what options are being considered?

**The Hon. ANNE LEVY:** The honourable member is quite correct: the President of the Local Government Association has raised this as a possibility, both through the negotiating team and in meetings that he has had with both me and the Premier. The response has been that we are certainly prepared to look at this proposal and consider its ramifications and the replacement that it could make for the very large number of grants that the State currently makes to local government over a whole range of portfolios and particular items.

At this stage, it is a question of just that: saying that we are prepared to consider the matter. As I understand it, the Local Government Association has not at this stage put forward a specific proposal. Certainly, if it does that, it will be considered by the Government and I am sure that there will be discussions in Treasury as to the feasibility of such an arrangement being reached.

I would perhaps indicate that, whilst the Government said that it was certainly prepared to look at such a proposal, the Treasurer indicated that he felt that the Premiers' Conference, due to take place in a month or so, should perhaps take place before much work is done on this matter as there may well be significant changes in the financial relationship between State and Federal Governments arising from that conference that could have an impact on financial relations between State and local government. I certainly agree that the matter of the financial relationship at State and Federal level needs to be sorted out before there is any detailed consideration of changing the financial relationship between the State Government and local government.

## TOURISM ACCOMMODATION TAX

**The Hon. DIANA LAIDLAW:** I seek leave to make a brief explanation before asking the Minister of Tourism a question about a tourism accommodation tax.

Leave granted.

**The Hon. DIANA LAIDLAW:** In answer to a question I asked on the same subject on 29 August, the Minister went on at some length about how she personally opposes the imposition of such a tax on the hotel and hospitality industry in South Australia. Perhaps it was an oversight, but she failed to tell members that her view is not shared by TSA—her own department—or Treasury (that is certainly according to the written advice I have received). Is the Minister now prepared to confirm:

1. That as part of TSA's submission to GARG, a working party comprising TSA and Treasury officers examined the option of an accommodation tax?

2. That the working party considered the accommodation tax to be an efficient and effective method of raising revenue?

3. That the working party's assessment has been endorsed by TSA, which considers introduction of an accommodation tax is an option that has merit as a means to help fund tourism promotions?

**The Hon. BARBARA WIESE:** The answer to the first question is, 'Yes.' The answer to the second question is, 'Yes.' The answer to the third question is, 'No, Tourism South Australia did not endorse the imposition of an accommodation tax in the considerations—

**The Hon. Diana Laidlaw:** Have you read—

**The Hon. BARBARA WIESE:** I have read them in great detail. Tourism South Australia did not recommend the imposition of an accommodation tax. I certainly did not recommend to Cabinet that there be an accommodation tax. My Cabinet colleagues agreed with my position. The honourable member knows well that there was no inclusion of an accommodation tax in the recent State Government budget. I hope that the honourable member will congratulate the Government on this decision if she purports to represent the views of the industry, and I suggest that instead of pursuing this line of questioning she confine her remarks to congratulations.

## MINISTER'S STATEMENTS

**The Hon. L.H. DAVIS:** I seek leave to make an explanation before asking the Minister of Small Business a question on the Minister's misleading statements.

Leave granted.

**The Hon. L.H. DAVIS:** Yesterday, in answer to a question on business bankruptcies, the Minister took issue with me for quoting an answer that she had given to this Council on the same subject on 11 September 1991. The Minister said yesterday:

> I invite small business people, and anyone else who is interested in this matter to go back to the source document and to read *Hansard*, to get some idea of what exactly I was saying. One cannot simply take one sentence out of *Hansard* and quote it out of context which was a most disreputable thing for the Hon. Mr Davis to have done in the first place.

I thought that was a very good suggestion by the Minister, so I went back to the source document and I read *Hansard* to get some idea of exactly what the Minister was saying. I will quote the Minister directly (from pages 714 and 715 of *Hansard* of 11 September), as she has suggested that everyone should do.

**The Hon. Barbara Wiese:** Will it be the full reply?

**The Hon. L.H. DAVIS:** It will be the full reply.

**The Hon. Barbara Wiese:** Not bits and pieces?

**The PRESIDENT:** Order!

**The Hon. L.H. DAVIS:** No, I will not give the Minister bits and pieces, but the full answer that she gave in response to this matter that I targeted yesterday. She said:

> We also know that the major reason for businesses failing has very little to do with the state of the economy and very little to do with Government actions. It has much more to do with problems that exist with small businesses.

That is what she said, that is what I said that she said; and the Minister should now know that what I said she said was accurate. But, then she went on to say, after some understandable interjections from this side of the Council, something that was even more damning:

> They are totally unaware of all the available evidence in Australia which has been collected and which shows that 80 per cent to 90 per cent of businesses—

There were further interjections. She went on:

> In 80 to 90 per cent of cases of business failure the major reasons for the failure are that the people running the companies did not have the appropriate skills or business management expertise. That is a well known and well established fact. The honourable member will never acknowledge that but it is a well established and acknowledged fact. It is a fact that is acknowledged by major business organisations in this State and in Australia.

This second part is even more damning because in that segment, which I quoted directly, she claims that in 80 to 90 per cent of cases of business failure the major reasons for the failure are: that 'the people running the companies did not have the appropriate skills or business management expertise'.

That absolutely contradicts what I said in the Council yesterday, quoting no less a person than the Inspector-General of Bankruptcy, representing the Commonwealth Government, who thoroughly investigates the major causes for business failure—business bankruptcies—in this State. Those statistics detailed in his annual report for 1990-91 revealed that 43 per cent of bankruptcies in South Australia were due to economic factors, as against only 25 per cent because of lack of business ability, failure to keep books, gambling and so on. So, the Minister has something of a credibility gap—it is about 65 per cent.

My questions to the Minister are: first, will the Minister advise the Council of the names of the major business organisations in this State that believe that the major reason for failure of business in 80 per cent to 90 per cent of all cases is that the people running the companies do not have the appropriate skills or business management expertise—will she name those businesses? Secondly, will she apologise to the Council for misleading us in such a shameful way? She may also apologise to me and to the small businesses of South Australia for so disgracefully misrepresenting the truth of the situation, which I unveiled to the Chamber today and yesterday.

**The Hon. BARBARA WIESE:** I thank the honourable member for his question. I will be happy to provide information for him about various pieces of research that have been done in Australia by various organisations, which have shown that in years past the major influencing factors—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. BARBARA WIESE:** —in causing business failure are not economic conditions, as the honourable member would suggest, but matters that relate to other issues that impact on the ability of small business to survive. While we are on the topic of yesterday's question, I would like to make a few remarks about it myself, because since yesterday I have had the opportunity to study in greater detail the report to which the honourable member referred—the annual report on the operations of the Bankruptcy Act 1966 for the year ended June 1991. When we look at that report we find that the honourable member has misled the Council.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. BARBARA WIESE:** In fact, he has given us only part of the story when he quoted from statistics in this report. He stated that economic conditions were the major cause of business bankruptcy—

*Members interjecting:*

**The PRESIDENT:** Order! How many people want to answer this question? The Minister has the floor.

**The Hon. BARBARA WIESE:** —and he was clearly implying in his question that this was due to Government actions and Government decisions. However, in looking at the report—

*The Hon. L.H. Davis interjecting:*

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

**The Hon. BARBARA WIESE:** —we find, in the category 'Economic conditions', that a large proportion of the contributing factors have very little to do with decisions over which Governments have influence. These decisions are all contained in the report on the pages from which the honourable member quoted, but he chose to leave bits out. We find that economic conditions affecting industry include such things as competition and price cutting, credit restrictions, increases in the cost of repairs and maintenance of equipment and such other matters which, I believe all honourable members would agree, are not decisions over which the Government has control. So, he was clearly attempting to mislead members of the Council in the comments that he made to us yesterday. Further, when we examine those figures carefully, we find that factors other than economic conditions are the major cause of over 50 per cent of business bankruptcies.

Let us look at the various causes—and I will be generous and include the three categories that the honourable member included, although probably at least one of them is dubious. We have economic conditions, excessive interest rates and inability to collect debts: I will leave those out of my calculations, as the honourable member did. But what we find is that in the 57 per cent of business bankruptcies—

*The Hon. L.H. Davis interjecting:*

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

**The Hon. BARBARA WIESE:** —factors other than economic conditions include such things as lack of business ability, lack of capital, failure to keep proper books, seasonal conditions, gambling and speculation, and personal and other reasons.

*The Hon. L.H. Davis interjecting:*

**The Hon. BARBARA WIESE:** I did not include interest rates in my calculation. I use the same sort of basis as the Hon. Mr Davis. What we find is that in almost 60 per cent of cases there are reasons other than economic conditions, interest rates and matters of that sort that are the major cause for business failure. Also, we ought to take note of the fact that yesterday the Hon. Mr Davis pointed to the 50 per cent rise in business bankruptcies for the first quarter of this financial year compared with last year. I agree, that is lamentable. It is very sad that any business—

*The Hon. L.H. Davis interjecting:*

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

**The Hon. BARBARA WIESE:** —should become bankrupt, but what he did not say was that that percentage rise was the smallest in Australia. What is more, our share of

national bankruptcies for the quarter, which was 11.5 per cent, is the lowest in this State since we started collecting these statistics in 1985.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. BARBARA WIESE:** It is lower than for the same quarter of last year, when it was 13.2 per cent. I am pointing out to the Council that the Hon. Mr Davis is using figures in a way that is designed to mislead this Council and to portray a much gloomier picture of the economy than is actually the case. It is also important to remember that the number of business bankruptcies during this past financial year, which total 484, must also be kept in perspective. Those 484 businesses represent .8 per cent of all small business in South Australia.

While I would prefer to see no businesses bankrupt, it is important to keep the figures for bankruptcy in some sort of perspective. I am sure that that is no consolation to the businesses that have failed, and I certainly feel sorry that that has happened, but it is not a case for the doom and gloom that is peddled constantly by the Hon. Mr Davis. As I pointed out earlier in response to another doom and gloom question asked by the Hon. Mr Davis's leader, wherever possible this Government has attempted to make decisions that will provide the conditions for businesses to survive in South Australia—

*Members interjecting:*

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

**The Hon. BARBARA WIESE:** —to the extent that it is possible for State Governments to do so. One of the conditions that is absolutely critical for recovery from this recession is for there to be a feeling of confidence in the business community. Whilst we have people like the Hon. Mr Davis and the Hon. Mr Lucas, and Mr Baker in another place, as well as various other Opposition spokesmen, speaking the way that they do, constantly peddling the bad news stories at the expense of the good news stories—

*Members interjecting:*

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

**The Hon. BARBARA WIESE:** —and constantly painting a picture of our economy which makes business people lack confidence in our economy, that is very counterproductive. I think it is a quite despicable action on the part of members of the Opposition, because this State's future is at risk here and I would have hoped that they would join members of the Government in attempting to create the economic conditions that would enable small business to gain confidence and to succeed.

*Members interjecting:*

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

**The Hon. BARBARA WIESE:** As to the particular information provided by the honourable member, I suggest that at this point he should probably be apologising to members of the Council for the misleading information he has provided to us.

## ADELAIDE TO MOUNT GAMBIER RAIL SERVICE

**The Hon. I. GILFILLAN:** I seek leave to make an explanation before asking the Minister representing the Minister of Transport a question about AN's rail services on the Adelaide to Mount Gambier line.

Leave granted.

**The Hon. I. GILFILLAN:** It has been more than a year since the last regular passenger service was withdrawn by Australian National from the Adelaide to Mount Gambier rail line, although AN waited until January this year to make the official announcement that passenger services would no longer run on that line. As a result of considerable pressure brought to bear on the State Government over the closure by the Democrats, rail unions, residents of Mount Gambier and Rail 2000, the State Transport Minister, Mr Blevins, finally agreed to invoke provisions within the Rail Transfer Agreement to have the closure proposal heard by an independent arbitrator.

In June this year, 11 months after the last passenger train ran from Mount Gambier, the arbitrator handed down 14 recommendations, which collectively called for the reinstatement of the passenger service. At the time Mr Blevins and Federal Land Transport Minister, Mr Bob Brown, agreed to adhere to the arbitrator's decision and reinstate the service. However, in the four months since that decision was handed down the people of Mount Gambier have yet to see any indication that passenger services will return to their line.

**The Hon. Peter Dunn:** Yet the Minister claims he was successful.

**The Hon. I. GILFILLAN:** Yes. Under the recommendations of the arbitrator a steering committee was to be established to oversee the reintroduction of passenger services and Mount Gambier Mayor, Don McDonnell, was appointed to that committee as the Mount Gambier representative. Unfortunately, no committee actually exists, it has never been properly formed, nor has it met.

An application to AN to allow a privately chartered train to use the line to take 500 people to a music festival in January next year was recently turned down after the organisers were told by AN that the line was unsafe for passenger services. A check with Australian National earlier today confirmed this information, despite the fact that just 14 weeks ago a steam train carrying several hundred people travelled between Adelaide and Mount Gambier on the line. One could be excused for thinking there was some inconsistency here. It seems as if the entire line has deteriorated dramatically in a matter of weeks, a period which just happens to coincide with AN's scaling down of track maintenance and in line with its plan to axe 1 500 jobs.

AN officials have said that they are compiling a report, at the request of Mr Bob Brown, on costing and the feasibility of resuming the service and expect that report to be ready within the next few weeks. We should not hold our breath. This smacks of stalling on behalf of AN and the Federal Government and of frustration of the direction of the arbitrator. My questions to the Minister are:

**The Hon. Diana Laidlaw:** The Federal Government does not have to implement the recommendations. That is the trouble with the transfer agreement.

**The PRESIDENT:** Order!

**The Hon. I. GILFILLAN:** Yes, as the honourable member very astutely highlights, there is nothing in the structure to enforce the Federal Government or AN to do anything. It is absolutely lamentable. Therefore, my questions to the Minister, who so proudly applauded his success in this matter, are:

1. Does he agree that the Mount Gambier service must be resumed immediately?

2. What will he do to insist that AN comply with the arbitrator's direction?

3. What, if any, enforcement powers exist?

4. If none, does he agree that the arbitration process has been a cruel hoax and farce perpetrated on the people of Mount Gambier?

**The Hon. ANNE LEVY:** I gather that the interjection by the Hon. Ms Laidlaw has already answered one of the Hon. Mr Gilfillan's questions, so it is probably unnecessary for

the Minister of Transport to do it again. However, I will refer those questions to him. I am sure that he, along with everyone else, will agree that he has no authority over AN and that that matter is not in question.

**The Hon. I. GILFILLAN:** As a supplementary question, I think I inferred from the Minister's answer that she agrees that there are no enforcement powers in the arrangements that the State Government has with the Federal Government to oblige AN to comply with the arbitration process. Will she confirm that that is her belief?

**The Hon. ANNE LEVY:** I certainly did not utter a belief one way or the other. I suggested that the Hon. Ms Laidlaw, by way of interjection—

**The Hon. I. Gilfillan:** I wasn't asking her the question, God damn it!

**The Hon. Diana Laidlaw:** What I said was right.

**The PRESIDENT:** Order! The honourable Minister.

**The Hon. ANNE LEVY:** Thank you, Mr President. As I was saying before I was rudely interrupted, the Hon. Ms Laidlaw rudely interrupted the question being asked by the Hon. Mr Gilfillan with an interjection which the Hon. Mr Gilfillan said was the answer to the question that he was in the process of asking. I was merely quoting two members on the other side of the Chamber without expressing any opinion one way or another. I do not interfere in the affairs of the portfolios of any of my colleagues.

## SCHOOL FIRES

**The Hon. J.C. IRWIN:** I seek leave to make a brief explanation before asking the Minister representing the Minister of Emergency Services a question about school fires.

Leave granted.

**The Hon. J.C. IRWIN:** Many would have seen the TV news on Sunday night give prominence to a large school fire at the Ingle Farm Primary School and seen the front page reports in Monday's *Advertiser*. Arson, particularly of schools, is becoming almost a daily occurrence, at least in the city of Adelaide. It appears from the MFS report they are occurring every nine days. The MFS annual report tells us that there were 40 school fires in 1990-91 at a conservative cost to the community of $5 million. The 1991-92 year has started badly with about $2 million in damage from fires in schools already reported.

With the Ingle Farm fire on Sunday, we were again informed that there was a lack of water and inadequate water pressure at the site. As is the usual advice, there was no fire warning device and no sprinkler system. The Minister of Education has said that schools are exempt from having to use fire sprinklers and that security at schools will always be a problem because we have too many buildings. That is an extraordinary statement. It has been put around that it is cheaper to let the schools burn down than provide proper fire protection. I am sure that those who must have fire protection by law—mainly in the private sector—would be horrified at that sort of irresponsible statement.

There was evidence only yesterday at the new Remm Myer building that a sprinkler system can and does stop a fire pretty quickly. What a disaster it would have been if that new building had burnt down because Myer had so many buildings that it decided not to protect them.

We have evidence from Queensland where specially fitted electronic fire alarms have saved in excess of $5 million in school fires in that State. We also have evidence from those who know that many State owned buildings, including schools, hospitals and those used by the public, are not required to have proper fire protection in the form of alarms or sprinklers. It is the State's responsibility to set an example to the same standard that it expects of other people. I find it amazing that the MFS can run around inspecting buildings, recommending equipment and selling that equipment, yet it cannot make any headway with the Government's own buildings. My questions are:

1. When will every school or State owned building have at least water in quantity and pressure at the site?

2. What are the plans for every school to have smoke detectors or some other early warning devices installed immediately?

3. What are the plans for every school to have a sprinkler system installed in at least strategic positions within the school buildings?

4. Does the Minister of Emergency Services realise the frustration of MFS officers and the dangers that they face in putting out needlessly large school fires?

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

## EDUCATION DEPARTMENT STAFF

**The Hon. M.J. ELLIOTT:** I seek leave to make a brief explanation before asking the Minister representing the Minister of Education a question about Education Department staffing.

Leave granted.

**The Hon. M.J. ELLIOTT:** The annual staffing exercise is now getting under way within the Education Department, and as usual difficulties and anomalies are becoming apparent. As I understand it, 120 teaching positions in the eastern area and a significant number in other areas have been earmarked for exit students.

Teachers currently on working contracts are concerned about this and argue that the limited number of positions available should be won on merit alone. Some of these contract teachers have excellent references and up to 10 years experience. They feel that they have been used by the Government and that the earmarking of positions for students is simply a money saving exercise. Experienced teachers, of course, are on a higher salary scale than exit students.

While the Government has now significantly reduced the number of contract teachers, those in permanent temporary positions and their students are still suffering many of the problems of the old contract system. Although the teachers now have permanent appointments, they are switched from school to school, which hinders professional development and job satisfaction. Students are suffering frequent changes of teachers. One primary class I know of has had four different teachers during the space of a single year. That is obviously disruptive of the education program. We have now reached a point where, of 14 000 teachers in the State, 2 500 are permanent temporary teachers, most of whom are highly mobile, being switched around from school to school. My questions to the Minister are:

1. What savings does the Government expect to make by allocating certain new appointments only to exit students?

2. How does it justify not using merit as the basis for staff appointments?

3. What procedures has the Government considered to reduce the disruption caused by the constant movement of permanent temporary teachers?

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

## NORTHERN AREAS ACCESS ROUTES

**The Hon. PETER DUNN:** I seek leave to make a brief explanation before asking the Minister of Tourism a question about public access to station country.

Leave granted.

**The Hon. PETER DUNN:** It has recently been reported, via the ABC radio program from Broken Hill, that some tourists from New South Wales were very indignant about not being able to travel from Broken Hill to the northern Flinders Ranges. The report stated that those people were barred from travelling along the public access route because the road had been gated and padlocked. I have made some inquiries in the area and, from the information that I have gleaned, I understand that no road has been barred. There is in fact a dog fence which is gated and the gates have chains around them, but they are not padlocked. However, several stations have watering points relatively close to the road, and padlocks have been used because of trouble being experienced with people leaving gates open and, because the watering points are close to the road, stock has got out onto the road and caused a problem. Therefore, they have padlocked them, but that has been a common practice for a long time.

Parliament passed a new Pastoral Act a couple of years ago, and in that Act it was made quite clear that one cannot traverse pastoral land without the permission of the owner. However, one is entitled to travel on designated public access routes. I am perturbed that we may be getting a bad name if we are stopping tourists coming into South Australia. A couple of things need to be cleared up. Will the Minister determine which roads and routes are public access routes from Broken Hill to the northern Flinders Ranges, and will she make clear to travellers by road signs what roads are to be public access roads?

**The Hon. BARBARA WIESE:** I am aware that some concerns have been expressed by tourists and also by commercial operators about access to areas in the Far North of South Australia, particularly since the introduction of commercial licensing and other user-pays schemes, including the Desert Parks pass, by the National Parks and Wildlife Service. A number of commercial users and tourist operators further south of the designated areas, as well as pastoral leaseholders, contacted Tourism South Australia expressing their concerns about these matters and, in particular, about the impact that this might have on future tourism access and use of these areas.

As a result of that, these matters have been raised with the National Parks and Wildlife Service and a number of meetings have been conducted, at which Tourism South Australia officers have been present, in an attempt to work through the concerns that have been expressed by these various parties and to make appropriate adjustments, if that seems to be the proper thing to do.

I am not certain what stage those negotiations have reached, but I would be happy to provide information for the honourable member about those aspects of the issues to which he is referring with respect to access in the Far North region. As to the question of which roads are public access roads, I expect that that is a matter for the Minister of Lands and, if that is the case, I will ensure that she is given a copy of the honourable member's question and that a reply on this matter as well is provided at the appropriate time.

## ADELAIDE PLANNING REVIEW

**The Hon. BERNICE PFITZNER:** I seek leave to make a brief explanation before asking the Minister representing the Minister for Environment and Planning a question about the Adelaide Planning Review.

Leave granted.

**The Hon. BERNICE PFITZNER:** Since the planning review '20-20 Vision' for metropolitan Adelaide was launched six months ago there has been a quiet—some remark that it is the calm before the storm. An SDP mark 3 will soon have be produced. However, I understand that the Department of Environment and Planning has not made the basic investigations, nor mapped out the areas of potential concern, especially in relation to the Hills face zone and part of the Mount Lofty Ranges. Such areas of concern are vacant allotments, steep sites, areas close to water courses and water sensitive zones. Will the Minister tell the Council whether these areas have been mapped and identified? If not, how will the Minister be able to make an informed decision when considering the drafting of the SDP mark 3?

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

## ROAD TRAFFIC ACT AMENDMENT ACT

**The Hon. J.C. BURDETT:** I seek leave to make a brief explanation before asking the Minister representing the Minister of Transport a question about the Road Traffic Act Amendment Act 1985.

Leave granted.

**The Hon. J.C. BURDETT:** The majority of the Road Traffic Act Amendment Act (No. 55 of 1985) has been proclaimed, but section 10 has not. That section relates to the assessment panels for certain offences in regard to drink driving (section 47j of the principal Act). Section 10 changed the conditions in regard to the assessment panels. Why has this section not yet been proclaimed and when is it anticipated that it will be proclaimed? Does the fact of non-proclamation indicate some change of Government policy in this area?

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

## UNION TACTICS

**The Hon. R.J. RITSON:** I seek leave to make a brief explanation before asking the Minister representing the Minister of Labour a question about union tactics.

Leave granted.

**The Hon. R.J. RITSON:** I have been contacted by a manufacturer about whom I will not give identifying details because the manufacturer is afraid of union retaliation. This business person employs 10 or fewer people. The complaint made to me was about the stand-over behaviour of a union representative who visited a workplace to recruit members. There was no problem with the visit because union representatives are entitled to do that. However, none of the workers wanted to join the union. The union representative visited and visited and visited; and he phoned and phoned. He drew the employer's attention to the fact that the award required the employer to have a lunchroom and a locker room. None of the workers wanted such facilities, but the employer—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. R.J. RITSON:** I think some of them must have brought the tactic in here, Sir. As I said, none of the employees wanted to join the union; they did not want the lunch room; and they did not want the locker room. Since these facilities have been installed, the workers have not used them. However, the most extraordinary thing is that the union was not acting in the interests of the workers because during the course of the harrassing number of visits and telephone calls the union representative said, 'If they join the union we will leave you alone; we will not enforce the provisions of the award.'

*Members interjecting:*

**The PRESIDENT:** Order! The Council will come to order. The Hon. Dr Ritson.

**The Hon. R.J. RITSON:** This mental attitude, this quasi religious worship of the dialectic of class and of destroying industry, prosperity and productivity in the interests of making the union more powerful for some other reason than to gain conditions for the workers—this thinking which reminds one of the road to Wigan Pier—is very destructive to Australian productivity and, indeed, to the concepts of Australians working together.

Given the fact that the Australian economy is being out-produced and out-traded around the world and is in danger of missing the last bus, how on earth does the Minister expect Australia to produce its way out of trouble when Australian industry is hampered by this sort of behaviour?

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

## SCHOOL OF THE AIR

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

Leave granted.

**The Hon. R.I. LUCAS:** I have been contacted by parents and a member of the Open Access College council regarding plans to relocate the Port Augusta School of the Air (SOTA). The School of the Air was to have been relocated from its present site at Flinders Terrace, in the heart of Port Augusta, to Augusta Park Primary School for the start of the 1992 school year. Originally the relocation was costed at approximately $800 000. This was revised downward to $500 000, and now I gather it has been put on ice for at least one to two years.

Plans to move the School of the Air have aroused a lot of anger among parents of the 93 primary students who receive lessons over the air and members of the SOTA's council. First, there is the historical significance of the present SOTA site, being situated on what was Central School's site, the first school to open in Port Augusta, circa 1860. In fact, SOTA itself has been on the Central School site for 32 years. More importantly, however, is the convenience of its central location which is important for people using the school.

Because of its central location, parents from the bush visiting Port Augusta on business can drop off their children for rare face-to-face meetings with their teachers. Also, the school accommodates staff from the Remote and Isolated Children's Exercise (RICE), which works closely with railway families. If the SOTA was relocated to Augusta Park, RICE and SOTA students and their parents would have to rely on private transport or taxis to reach the school because of poor transport.

Parents of SOTA students have told me they cannot understand why the SOTA council is not being given a definite answer on the revised relocation plans, and why, as part of the SOTA site is to be put up for sale, money from that sale cannot be used to upgrade the existing SOTA site. My questions to the Minister are:

1. Why are parents and the Port Augusta School of the Air council being denied a firm date for the relocation of the school to Augusta Park?

2. What is the current estimated cost of relocating SOTA to Augusta Park? How does this compare to costings which were completed in recent years on upgrading the Flinders Terrace premises?

3. Will part of the existing SOTA grounds be sold? If so, what is the estimated revenue from that sale, and why cannot that revenue be used towards upgrading SOTA's existing premises?

4. If the money from the sale of part of the SOTA site is not to be used towards upgrading the school at its existing site, what will the revenue be used for?

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

## REPLIES TO QUESTIONS

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

Leave granted.

### FREE STUDENT TRAVEL

In reply to **Hon. DIANA LAIDLAW** (12 September).

**The Hon. ANNE LEVY:** My colleague the Minister of Transport has advised that the total amount of concession reimbursement to the State Transport Authority for 1990-91 was $21.588 million which consisted of reimbursements for the concessions given to tertiary students and those given to primary and secondary students, including the former child category. Equivalent reimbursements for the latter in 1989-90 totalled $14.907 million. The increase of $6.681 million is not a cost blow-out because this amount is consistent with expectations when the free student transport scheme was introduced.

The total reimbursement of $16.782 million for students/children includes a sum for reimbursements which were in place prior to the introduction of free travel and the additional allowance for the free travel component.

The STA uses field supervisors and survey teams to count passengers and provide reliable estimates of patronage where this information is not available from the Crouzet ticketing system, for example, where students entitled to free travel are not required to validate a ticket. In this context, a large survey program was specifically undertaken in order to estimate the patronage levels associated with free travel.

### COMPULSORY THIRD PARTY INSURANCE

In reply to **Hon. I. GILFILLAN** (10 October).

**The Hon. ANNE LEVY:** My colleague the Minister of Transport has advised that the CTP fund has not subsidised the operations of any other fund within SGIC.

Whilst interfund transactions have occurred, they have been on a commercial basis. The figures touted by sources 'within the insurance industry' are completely without foundation.

In fact, information relative to the operations of the CTP fund, as in the case of other major lines of business, are

maintained separately as to claims, premiums, investment, income, expenses, etc., and are the subject of audit by the Auditor-General's Department.

An undertaking can be given that no money collected from the CTP fund would be used for any form of cross-subsidy and that audit provisions adopted internally and undertaken externally by the Auditor-General's Department ensure that CTP premiums are clearly identifiable and isolated from other SGIC activities.

## PERSONAL EXPLANATION: MINISTER'S REMARKS

**The Hon. L.H. DAVIS:** I seek leave to make a personal explanation.

Leave granted.

**The Hon. L.H. DAVIS:** During an answer to a question that I asked in Question Time a little while ago the Minister sought to misrepresent the situation that I had put yesterday. I made clear in my question of yesterday that I was claiming that the Inspector-General's annual report into bankruptcies for the year 1990-91 showed that economic conditions were the major cause of business bankruptcies in South Australia, and those figures represented 43 per cent of cases during 1991. Nothing the Minister said took away from that fact. She sought to misrepresent the situation, claiming that I was trying to drag the Government into this. I made clear that we were talking about major causes of bankruptcy. I have not misquoted the Inspector-General's report in any way. The Council should be aware of that fact.

## HOUSING COOPERATIVES BILL

Adjourned debate on second reading.

(Continued from 22 October. Page 1273.)

**The Hon. T.G. ROBERTS:** I support the Bill, and in doing so would like to correct some of the misconceptions that people who read *Hansard* may have after the Hon. Mr Davis's contribution. He indicated that he was supporting the Bill. His contribution, supplied to this Council and the public generally a lot of the data supplied to the select committee—and I must congratulate him for that. He mentioned all the positive aspects of the housing cooperatives. He said that a table indicated a trebling in the number of cooperative housing programs since 1985-86 from 465 to 1 457 at the end of June 1991, and that the number of cooperative housing associations, whether we are talking of tenant-based cooperatives or community housing associations, had trebled in that five-year period from 21 in 1985-86 to 63 in 1990-91. A lot of the other statistics that the Hon. Mr Davis introduced into the discussion were positive.

I also congratulate the role played by the Hon. Murray Hill in supporting the introduction of the cooperatives in the early 1980s. I had the pleasure of being on a select committee into low income housing with the Hon. Mr Hill. We inspected a lot of the housing cooperative programs and found them to be of sound nature. They varied considerably in housing stock, and in the nature and style of the people who were involved in the housing cooperatives. In the main, the Hon. Mr Hill would have been pleased, as were other members of the select committee, with the progress that the housing cooperatives have made since the introduction of the policy in 1979-82.

Some aspects of the development of the housing program under the housing cooperatives were attacked prior to the setting up of the select committee on the basis that the administrative programs of some of the cooperatives were not as they should have been. There were accusations, although out of the side of the mouth and beneath the cupped hand, indicating that perhaps the Government should look more closely at some of the aspects of the administration—not of the associations. The Hon. Mr Davis separated the associations from the cooperatives. There was some indication that all was not well and that it had something to do with the lack of administrative criteria in determining how cooperatives were to be managed.

There was also criticism of some of the cooperatives in the way that they picked tenants and set up their priority lists for individuals becoming involved. Again, a campaign was run, not so much publicly but via the grapevine, to undermine the confidence in the progress of the cooperative program.

Anyone who does read the Housing Co-operatives Bill will find that the matters that the select committee addressed were moving towards addressing many of those problems associated with the administration. The view I expressed through an interjection was that the housing cooperatives program had been slowed to some extent by the fact that the committee had been set up to investigate some of those innuendos that were flying about at that time.

The select committee itself came away with a view that, although there were some administrative problems in some areas, overall, the housing associations and the cooperatives have been doing, as the Hon. Mr Davis had pointed out in his contributions with some contradictions, a valued job in supplying alternative housing to those low income groups in the community that saw the cooperatives as a social justice action and a way in which they could become involved in participating in private effort, private ownership and collective ownership in providing housing for themselves.

The groups that have become involved in cooperative housing programs certainly have been able to build up a complex list of comprehensive skills, including building skills; they have been able to use the programs to train people in literacy, bookkeeping, budgeting, office and records organisation, house maintenance, interviewing, liaison and organising—all sorts of community organisational skills have been learnt in dealing with the administration and maintenance of these housing programs.

My view is that we should be doing everything we can to help people to become involved in these programs, because in many cases the people who are involved (and this is from a 1989 census of housing cooperatives) lacked organisational skills, certainly in the early days. I am sure that many of those programs that have been criticised have been worked through to a point where administratively and in organisational terms those problems have certainly been overcome to a point now where the housing cooperatives and associations supply 1 458 homes. Hopefully, again as the Hon. Mr Davis indicated in his contribution, the Government has committed itself to a strong cooperative program and sees the need to introduce legislation to act as a protective umbrella over those housing movements. We can expect up to 2 400 units over a four-year period.

Again, that is another positive aspect of the development of housing cooperatives and associations that unfortunately was undermined to some extent by the Hon. Mr Davis's lack of confidence in those groups to be able to come to

terms with the organisational skills that are required to administer those programs.

**The Hon. L.H. Davis:** Where did I say that?

**The Hon. T.G. ROBERTS:** It may not be in the contribution, but it was certainly in the inherent criticisms of the programs prior to the select committee being set up. It was coming not only from the Hon. Mr Davis; it was also coming from other quarters.

**The Hon. L.H. Davis:** It was coming from your own Party.

**The Hon. T.G. ROBERTS:** Any names?

**The Hon. L.H. Davis:** Yes; you know them.

**The Hon. T.G. ROBERTS:** I wonder whether you would like to include them in your interjection. People who wanted to study the philosophical commitment to cooperatives would have found out that people who were becoming involved in trying to become part of equity cooperative ownership of houses through their own resources were those people who were being left out—in many cases they were on waiting lists for public housing, or not even bothering to register for public housing on the basis that the waiting lists would have condemned them to private rental for a long time.

The census to which I referred earlier was held in 1989. Some of the key findings from it included that the number of people who wanted that become involved were unemployed, pensioners, and blue and white collar workers. Women outnumbered men two to one. The bulk of the tenants were older than 25 and a third were older than 60. None of the tenants had gone past high school and few had post secondary qualifications. More than half the tenants stated household income at under $200 a week and fewer than 2 per cent had incomes over $400 a week. The average weekly household income was, when converted into 1990 dollars, about $220.

So, we can see that the cooperative program for housing was attractive to people on lower incomes. People in a lot of cases were pooling their resources on social security and certainly those people had very few opportunities to belong to any home ownership program that would have provided them with any security at all. There is also a very large section of migrant people; they were represented very heavily. So were many single parents and single persons. So, in summary, the co-op tenants tend to be poor, female and uneducated.

Further information from the census suggests that tenants on average put about two hours a week unpaid labour into the co-op and that the bulk of co-op tenants did not, in the early years at least, have sufficient resources to take advantage of the Government's HomeStart scheme. Their only options were trust accommodation and/or private rental.

So, with that profile, it is pretty understandable that some of the problems that emerged in the early days would have emerged in the learning process that this State went through in trying to promote self-sufficiency through the cooperative network, so that the people involved in ownership would also be involved in administration. That is another strength of the program in that it provides responsibility as well as skills development and cooperative learning programs, and certainly I would like to see a futher extention of cooperative ownership in housing developed, particularly in economic crisis times, where options are narrowed.

It is my view that this is the time when cooperative home ownership and housing associations should flourish. It offers skill development for the people involved; it certainly offers confidence building mechanisms and a social interaction that in many cases is not evident, certainly not in private ownership in dormitory suburbs where next door neighbours hardly know each other. With cooperative housing and housing associations a very strong social network is set up. Cooperative skills are built amongst a cross-section of people, across age groups, gender and all sorts of social barriers. If you talk to people in those areas you find that their social networks are very strong and they are very supportive not only of their program but also in general terms, of each other, and I think that is to be applauded.

At the moment unfortunately in South Australia we will not be able to come to terms with the waiting list for public housing, on the basis of the latest Commonwealth-State relationships in terms of funding, because the supply does not match demand—it comes nowhere near it—and it is up to the State, through cooperatives and association organisations, to try to match some of the problems associated with the housing shortages.

**The Hon. I. Gilfillan:** What can we do about it?

**The Hon. T.G. ROBERTS:** I suspect that in terms of the Commonwealth funding agreement for public housing the Government and anyone involved needs to realise that the pressure needs to be kept on the Federal Government to maintain its commitment for the State's housing commitment in the public area. We also need to take advantage of the finance that has been offered through the Commonwealth for alternative housing programs. Certainly, money is available through the Commonwealth-State relationships for us to take advantage of. That was one of the frustrating things that we found with the slowing down of the process of the Bill, that is, the uncertainty of trying to get the programs to match the Commonwealth programs, on the basis that, had the Bill been introduced some 12 months ago, we may have been able to accelerate the programs for the past financial year.

I hope—and I think there is general agreement in the Council, and there was certainly general agreement on the select committee—that the Bill itself will provide a focus for attention for us to go back to the Commonwealth and say that we have a Housing Cooperatives Bill that takes into account not just the cooperatives but the associations as well, and that we can target some of the alternative funding that will be available through the Commonwealth-State programs for an increase in the allocation of funds so that we can get more of the programs off the ground. The other good factor about the Cooperative Housing Program is that it is available to country residents. A number of country regions have availed themselves of funds and have set up cooperatives to try to come to terms with some of the problems associated with the rural disadvantaged people. In some of the other areas that the select committee looked at, certainly in some cases improvements could be made in recording detail in an orderly process and maintaining records, but I do not think the criticism that was levelled at the cooperatives themselves in handling their affairs was required at a time when, as I said before, they needed support and attention.

Perhaps if the Hon. Mr Davis, who I know is a skilled adviser in financial affairs, had given some of his time over to assisting the housing cooperatives put together good administrative practices and procedures and perhaps volunteered one night a week for, say, three months to set out programs, I am sure that those people would have availed themselves of any comments and suggestions he may have made. I know that he has lectured at Adelaide University on matters pertaining to small business, and cooperative housing programs and housing associations would have been appreciative, I am sure, of good constructive methods by which they could improve their programs so that they could streamline and become more efficient.

The Hon. Mr Davis claimed that the 1989-90 Auditor-General's Report argued that the capital gain made from the sale of properties had not been accounted for as instructed. The organisation concerned was a housing association and not a cooperative and, once again, the matter has been dealt with and all funds have been accounted for.

The Hon. Mr Davis also argued that the Auditor-General cited that most of the cooperatives met only 19 per cent of average rental. This appears to be another misunderstanding on his part, as the 19 per cent is only part of the mortgage contribution made by the cooperatives and associations, and surplus funds are returned to the South Australian Housing Trust to offset the cost of subsidies. Again, the criticisms could have been used constructively in another form. To claim there is little, if any, attempt to rectify the financial administration of problems referred to by the Auditor-General in each of his financial reports is simply to ignore the evidence of the numerous administrative and financial structural mechanisms that were put into place to ensure a more tightly administered program.

Another criticism from the Hon. Mr Davis was that business owners and professionals were becoming involved in cooperatives and receiving Government subsidies, to the disadvantage of tenants who should have had a priority based on their lower incomes. As an individual member on the select committee into low income housing, I did not come across that. It has not been reported to me through any of the housing organisations or cooperatives. Certainly, I speak to CHASSA regularly and it has not identified that as a problem. I am sure that in the early stages some of the applicants or tenants had incomes that were much lower than could be expected in a cross-section of a community, but not everyone stays at the same income level as they go through life.

We find the same thing happens in the Housing Trust area where people progress through either professional or trade school qualifications. They may start out on a low income or wage or salary and then after a number of years their experience, qualifications and skills build up to a point where they are on much more comfortable living wages and salaries. Certainly, I am not going to argue that people should be means tested annually, quarterly or whatever to ascertain whether their income levels suit the needs and requirements of being registered as low income earners, to qualify for cooperative or association housing. That should not be the qualification by which we set up organisational structures for cooperative housing. As I said before, not only does it provide the benefit of adequate housing for low income earners but it is also a way of socialising people and getting them to interact in the community in a cooperative way.

As I said, it is one of those appealing things that we should look at for younger people who, more and more, are leaving home at an early age. There is thought in the community that, if we make too many considerations and give too much encouragement in setting up housing programs for young people, we will encourage them to leave home, but I do not necessarily agree with that position. I believe that we should be looking more at cooperative housing as a way of coming to terms with some of the homelessness that is reported out in the community.

Certainly, it would give some responsibility to younger people to come to terms with administering their own cooperative ventures. As I said before, we would also build up other life skills in the administration of those programs. Internationally, cooperatives are becoming a viable alternative. Overseas, many nations are starting to use cooperative housing as mainstream forms of housing ownership and building up stock. I refer to Scandinavia, Holland, Germany, Canada, Latin America and, now the third world, all of which are looking at cooperatives as a viable way of building up housing stock for people.

That contribution by the Hon. Mr Davis is dotted with inconsistencies in terms of his support. I guess one could say that it is qualified at best in terms of his contribution, and I understand that. Hopefully, we can get the Bill through without any alteration and put into place the Government's programs for building up the stock and all those positive things that the Hon. Murray Hill introduced all those years ago, and supported by succeeding Governments since then. I hope that the Hon. Mr Davis can get in behind the Bill so that we can get the administrative program set up. It will not be duplication of administrative roles or another form of bureaucracy.

The Government's intention is to allow the Housing Trust—the same people who will be administering the Housing Trust's programs—to administer the Housing Cooperatives Bill. Although there is a slightly different structure in overseeing that role, with the Minister being ultimately responsible, it is streamlining; it is not duplication and it is not setting up another arm of bureaucracy to administer the program.

I am sure that all the people involved in cooperative housing and housing associations will applaud the Government and the Opposition too, if it does not put too many amendments through. It will allow us to get on with building up a cooperative housing stock in conjunction with our public housing stock. In a bipartisan way I think we can try to come to terms with some of the serious problems associated with housing people in South Australia and lock into the Commonwealth-State financing agreement's alternative avenues for coming to terms with our housing problems.

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

## APPROPRIATION BILL

Adjourned debate on second reading.

(Continued from 22 October. Page 1286.)

**The Hon. K.T. GRIFFIN:** I want to make a few observations on some of the matters that were raised specifically during the budget Estimates Committee in the House of Assembly in several areas of my responsibility. They are in the nature of a range of matters of some importance, but nevertheless each is unrelated.

The first relates to legal expenses insurance. One of the constant public complaints is that access to justice is becoming too difficult and is largely out of the reach of ordinary citizens. I agree that is a major cause for concern. In the criminal jurisdiction that is not so much a problem, because a substantial number of South Australians are assisted by the Legal Services Commission in their representation in that jurisdiction. Even in that area, there is concern among legal practitioners that the fees for representing clients are significantly lower than would normally be expected for private clients. However, a large number of criminal matters are financed through the Legal Services Commission.

As a result of that priority, with which I do not disagree in terms of the limited funding that is available, for many other citizens who have civil disputes the funds are just not available, and it is in that context that we need to explore ways by which justice can be made more accessible.

There have been a number of interesting developments: community mediation services, alternative dispute resolution, and arbitration in some instances, although that can be more expensive than going to the courts. In the private sector a number of agencies have been considering some form of legal expenses insurance. A Sydney company, which is one of the leaders in its field, is promoting legal expenses insurance. The difficulty is that it requires people to take the conscious decision to insure.

My experience is that they will insure for medical care and pharmaceutical benefits, because they are immediate needs and have a more direct personal link with the citizen than legal expenses. Members of the community are more conscious of the need to insure and protect themselves against unforeseen medical and pharmaceutical expenses in the future, and they do so, although the numbers who are taking out private insurance are dramatically reducing because of the impact of Medicare. However, it is not such an easy matter to persuade members of the community to take out legal expenses insurance.

It was interesting to note that in the last financial year the Attorney-General approved a grant of $150 000 to the Public Service Association to run a pilot project under which 25 000 members of the PSA were insured against the risk of having to face high legal expenses. That money came from the guarantee fund, which is available essentially to meet the claims of clients of solicitors who have defaulted. The fund also partly provides funds to the Legal Services Commission, and it may be used for other purposes approved by the Attorney-General.

It was not until the Estimates Committee that I discovered that $150 000 had been approved by the Attorney-General from that fund to go to the Public Service Association for this pilot project. I was surprised that it had been approved, because any form of insurance relating to legal expenses has to stand on its own feet. In my view, it is not an area that should be subsidised by the Government.

The Attorney-General may well respond that the $150 000 was not Government money. However, only a year or so ago he was claiming that moneys which came from the guarantee fund for legal aid really amounted to State Government funding, so he cannot have it both ways. The fact is that the money has now been made available. However, I would sound a note of caution: no legal expenses insurance scheme run in this way will prosper, particularly when it involves a subsidy to members of an organisation.

It is interesting to note that, in the Attorney-General's response to the budget Estimates Committee, he was suggesting that, depending on the outcome of the pilot project, other moneys may be paid out to other unions and to the public generally if the scheme works.

I would oppose that most strongly, and I indicate that if additional money were paid out of the legal guarantee fund for these sorts of subsidy purposes that will be resisted. It may be arguable that it is appropriate for a pilot project for a client base of 25 000 members of the PSA, although I question that. However, certainly in terms of extending it to other unions and to the public generally, I do not believe there is any justification for that and it ought to be resisted.

Notwithstanding that, I think the private sector—the various insurance companies that are interested in this area of insurance—ought to be encouraged to develop their programs and to endeavour to gain a higher profile for them in the hope that more members of the community will insure against those sorts of legal expenses.

I suppose the other reason why most people do not take this upon themselves is that their most likely contact with the legal profession will be when they make a will, when a member of their family dies and probate has to be granted, or for small neighbourhood disputes or other matters that are, in the whole scheme of things, relatively inexpensive. It is in the criminal area and also in larger civil cases where the expense is incurred. However, the majority of the population is not caught by that sort of litigation.

During the course of the Australian legal convention in Adelaide in September, the Attorney-General voiced some criticisms about the legal profession in relation to fees. The criticism was not generally well-founded and demonstrated a lack of understanding of what actually happens, whether it be a legal practice or in any other small business. The Attorney did not seem to understand that the bulk of the legal fees—certainly more than 60 per cent of most legal fees—goes to paying overheads, and those overheads include rent (in which there is certainly a proportion for land tax paid by the landlord), water rates, council rates, payroll tax, financial institutions duty, bank accounts debits tax, salary, 3 per cent superannuation for some employers, and a whole range of other Government taxes and charges, local government rates and other expenses that are necessary in the running of any legal practice. When one looks at the overheads and takes them into consideration, the sort of fees that most legal practices charge are generally very largely consumed in meeting those overheads which are part of providing a service to clients.

Whilst there are some big legal firms in Adelaide, the majority of firms are either single member practices or relatively small partnerships. The big legal firms provide different ranges of service and their overheads are generally higher, I would suspect, than those of the smaller firms. The majority of practitioners carry on practice in small partnerships or in single member firms. Whilst the Attorney might get some pleasure out of publicly bashing the legal profession, as he did, it certainly is ill-informed and ill-considered, and it does him no credit as the nominal leader of the bar in South Australia.

I now turn to the question of the corporations law. Members will recall that in the debate at the end of last year on the Bill, which would, in effect, contribute to the establishment of the new cooperative companies and securities scheme under the title 'Corporations Law', a great deal of haste—and, I think, ill-considered haste—was required to get the Australian Securities Commission up and running on 1 January this year. In the course of the debate I raised questions with the Attorney about the formal agreement between the various States and the Commonwealth, as well as the Northern Territory.

During the debate in November and December last year we were informed that that had not yet been executed and that some fine tuning changes were still to be made to that formal agreement. However, it was expected that it would be attached to legislation and would not be so long in being presented to us. The formal agreement was the one which was thrashed out at the ministerial meeting held in about June of last year at Alice Springs and which actually set the scene for the capitulation of States in favour of the Commonwealth-controlled corporations law.

I was disturbed about the following response that the Attorney made to the Estimates Committee on 20 September to some questioning about the corporations law and whether the States and the Commonwealth had signed the agreement relating to the new scheme:

> The formal agreement has not been signed. I do not know that a decision has been taken on whether it will be attached to legislation, but it was envisaged initially that it would be. In any event, details of the formal agreement have not been signed. The heads of agreement, which were put together in Alice Springs in the middle of last year, have formed the basis for the relationship between the Commonwealth and the States in this area since

then. The formal agreement is still to be signed. Since 1 January, when the Commonwealth legislation came into force, there have been two meetings of the ministerial council and another one is expected at the end of October.

We were led to believe last year that this formal agreement was almost ready for signing. Of course, it does provide the formal basis for the arrangement that is now very largely enshrined in State and Federal legislation. However, it also sets out the parameters of the Commonwealth's practice in relation to the scheme and various other matters, as I recollect, dealing with things like the ministerial council.

The Attorney went further when he was asked further questions in the Estimates Committee. He indicated that one of the major areas of discussion had been the access by the States to the Australian Securities Commission data base and whether State Governments and State agencies would have the same access to the data base as they had previously, when Corporate Affairs Commissions were established in each State.

The interesting factor there is that the data base of the Australian Securities Commission is wholly the data base of the States: it was handed over to the them at the time that this scheme came into operation on 1 January this year. Now, as I suspected might happen, the States are being squeezed out.

The Attorney-General said that some agreement had been reached on access to the data base, but it is still not entirely satisfactory to the States. That is 10 months after the scheme came into operation and nearly 18 months after this notorious heads of agreement was negotiated in Alice Springs in the middle of last year.

I raised with the Attorney-General earlier this year a question about access by members of Parliament to the data base, because under the old scheme members of Parliament were able to get access to company searches free of charge from the State Corporate Affairs Commission. Since then, the ASC has been charging members of Parliament for access to information that they need as part of their responsibility as members of Parliament.

The Attorney-General says that the Commonwealth has decided that members of Parliament will have to pay for the information. That again is a substantial loss of benefit to the States and to members of Parliament of all political persuasions in gaining access to information on the public record as the result of the Commonwealth's exercising an overriding responsibility for this Corporations Law.

The Attorney-General also said that there are concerns within the Police Department about how it can obtain access for investigative purposes, and that subject is up for discussion in October this year. It is an appalling situation that State-based law enforcement agencies cannot obtain access to the Commonwealth ASC data base for investigative purposes. The Commonwealth's response, as I understand it, is that this might be abused. That is utter nonsense: who will abuse access to the Commonwealth data base on companies and securities when it is being used for investigative purposes? There was no abuse, either, by members of Parliament when they had free access to Corporate Affairs information prior to this new scheme coming into effect.

The Commonwealth and the Australian Securities Commission, according to the Attorney-General, have taken the view that access to the ASC data base by State agencies and MPs is unreasonable and that it would be far too expensive to provide unlimited access. That is indicative of the attitude that I predicted would apply when this corporations law was being debated in our Parliament: that the Commonwealth was after only one thing—power—and that once it had that power it would thumb its nose at the States.

It is interesting to note in that context that there have been only two meetings of the ministerial council since this scheme was up and running. With so few meetings of the ministerial council, it would be easy to conclude that the Commonwealth is not serious in sharing responsibility for the administration of company and security law in Australia. So, I express my disappointment that the Commonwealth and the Australian Securities Commission has taken this view, and I urge the Attorney-General to fight as hard as he can to ensure that the States retain access to this information, which basically is theirs, certainly until 31 December last year, and without it the ASC would not have been able to operate.

I raise now the question that the member for Bright, Mr Matthew, raised in the Estimates Committee relating to the law reform library that was made available by Mr Justice Zelling, as he then was, to the Attorney-General several years ago as the basis of a library for law reform purposes.

The whole issue of law reform has been controversial in this State. We had a relatively inexpensive law reform committee under the chairmanship of Mr Justice Zelling, as he then was, which had representation from the Supreme Court, the Law Society, the University of Adelaide, a nominee of the Attorney-General and a nominee of the Leader of the Opposition, as well as Parliamentary Counsel, the Solicitor-General and one or two other persons.

It dealt with various areas of law reform at a very low cost. The Attorney-General several years ago suspended the operation of that committee, and since then he has taken over policy issues in his office. That is an unsatisfactory way of undertaking law reform, whether civil or criminal. I have said that on previous occasions, and I repeat it now. Whilst ultimately the Government of the day is responsible for deciding whether or not it will support recommendations of a committee for law reform, there is no doubt that the whole process of law reform is enhanced if it has representations from organisations and bodies outside the Government and if it can present reports which are not directly under the control of the Attorney-General.

Of course, that will be a major issue in relation to criminal law reform, where he has appointed Mr Matthew Goode from the University of Adelaide on a two-year basis to undertake some very substantial criminal law reform. I do not criticise Mr Goode because he is a person of ability, although he does not have the sort of practical experience of the criminal law that comes from being actively engaged in it on a day-by-day basis. As a matter of principle, it is wrong for the Attorney-General's office to run the criminal law reform agenda and to limit participation of other interested persons independent of Government in that process.

The Attorney-General will say that that issue is under his control and that there is an opportunity for submissions to be made, but I suggest that there is no opportunity for those submissions to be released and to be considered publicly and for exchange of views to occur in the environment of a committee or, for that matter, for the ultimate policy recommendation to be made, having the benefit of both academics and practising members of the profession as well as lay persons involved in assessing propositions and reaching a conclusion.

I understand that the law reform library of Mr Justice Zelling has recently been sold with the approval of the Attorney-General to the Flinders University at a price that the Government assessed to be lower than its market value. However, when the library was made available to the Government I understand that it was at a very much reduced rate because the library was to be used for law reform purposes, and that original intention has now been over-

taken by the sale of that very important library to the Flinders University.

I turn now to several areas of consumer affairs, and I deal first with the Office of Fair Trading. During the course of the budget Estimates Committees there was questioning from members of both political persuasions—Labor and Liberal—about the operations of the Office of Fair Trading in so far as those operations related to trade standards and trade measurements.

That arose very largely because of extensive reports in the *Border Watch* at Mount Gambier about traders in Mount Gambier having been given a number of expiation notices for failing to have goods properly labelled. One of the examples was of a shopkeeper who had six different types of octopus straps which had actually been imported from Victoria and which did not carry a particular label. That person received six expiation notices of $200 each, plus $5 victims of crime levy, a total of $1 230-odd, plus another one for a hand operated system for pulling four-wheel drives out of bogs. The retailer was informed that the expiation notices on the octopus straps related to one for each particular type of octopus strap.

There was another instance where a pharmacist was given two expiation notices, one for a particular range of sunglasses which did not carry appropriate labelling, and another expiation notice for another range of sunglasses which again did not carry the labelling detail that was required by law. When the officer was asked about this and how it could be disputed, the claim is made that the officer said, 'Well, if you do not pay this and you end up in court, you will be summonsed in relation to each of the 20 pairs of sunglasses, rather than just these two expiation notices.'

It should be clear right from the outset that, whilst I have always expressed a concern about the ready availability of expiation notices for a wide range of offences—a range which is growing—nevertheless, there are occasions when it is appropriate to issue them. In the budget Estimates Committee an indication was made that the Office of Fair Trading had been involved in Mount Gambier and surrounding districts last year and that one could conclude from this that, whilst warnings had been given, compliance had not been made and therefore it was appropriate to issue the notices. I want to suggest that one has to use appropriate judgment about the way in which expiation notices are used.

One of the predictions made as a greater emphasis was placed on increased police activity was that there would be a temptation to issue a notice where previously a caution might have been issued, and that will always be a temptation; it is easier for a law enforcement officer or inspector to write out an expiation notice than to issue a caution whereas, if there had not been an expiation notice, a summons would have been issued with more reluctance. I also want to say that if a breach of the law has occurred and appropriate cautions have been given, or if it is a serious breach of the law where a caution has been given but the breach has not been remedied, other actions must ordinarily follow, depending on the circumstances of the case. But, to issue multiple expiation notices and to place a very significant burden upon retailers, as occurred in Mount Gambier, is a practice which ought not to occur frequently. It ought to be reserved for the most serious cases.

Whilst there is a suggestion that some warnings were given, subsequently it appeared that those warnings related more to breaches of the trade measurements legislation rather than to the trade standards legislation. Whilst warnings were given, it was not possible to elicit information that would indicate that the warnings were given to the persons who subsequently received the expiation notices. It is my view that it is not good enough to say that warnings were issued if in fact those warnings were given to persons other than those to whom the expiation notices were subsequently issued. There needs to be a system (if there is not already a system) which adequately records the traders to whom cautions have been given so that a follow-up can occur and, if the caution has not been complied with, other action may ensue. Where multiple breaches have occurred, such as with several ranges of sunglasses or several sorts of octopus straps, it is inappropriate in my view to issue a bundle of expiation notices in those circumstances.

One of the interesting aspects of a case which was brought to my attention was that one retailer had bought a quantity of Government surplus clothing that did not carry the appropriate care label, so one has to ask whether in those circumstances it should not be the Government that ultimately carries the responsibility rather than the retailer, although I do acknowledge that the law ultimately requires the retailer to accept that responsibility.

I want now to refer briefly to the proclamation of legislation dealing with commercial tenancies. This has already been raised by me in a question. It was raised in the course of the budget Estimates Committees, but this is the first opportunity I have had to make some observations about what occurred and to endeavour to put a different complexion upon the issue from that of the Government. It was drawn to my attention in early September that the Government had proposed to proclaim certain sections of the landlord and tenant commercial tenancy provisions which had not been proclaimed since their enactment last year. There had been some discussions with lawyers, landbrokers and the Real Estate Institute about regulations which might be appropriate to support the statutory provisions which were to be proclaimed.

Whilst there had been responses to the Government about problems with the draft regulations, there was no indication that the problems would be fixed and, as it turned out, they were not adequately addressed. Those problems related to disclosure statements, in particular. On 26 August a quick telephone call was made to some of the professional bodies informing them that the sections were to be proclaimed on the following Thursday, two days later, and that they would come into operation on 1 September, some four days later.

That caught the professions by surprise, particularly because a number of them who have complained to me had sent out lease documents based upon the then existing law prior to 1 September. There were no disclosure statements, which would subsequently be required, these documents had been sent out for signing and it was not possible to get them all back within four days or to have them all signed within that period. So, it was quite likely that after 1 September the documents that had been sent out for signing would have to be re-prepared and new statutory obligations, such as disclosure statements, would have to be prepared and the documents sent out again for signature or updating. That involved a cost.

In response, the budget Estimates Committee was told by the Government that professional organisations had been informed, even informally, that 1 September 1991 was to be the date of operation. The professional organisations to which I have spoken have indicated that they had not been informed either formally or informally that it was the intention of the department to have these provisions proclaimed to come into effect on 1 September, and that they were caught by surprise. I only hope that, as a result of the criticism that has occurred as a result of that short period of formal notice, the department will not again act so precipitately but will give a reasonable time within which the

professions and the business community can be informed of changes and enabled to keep the cost of complying to a minimum.

I want to touch upon two other areas: first, the agents indemnity fund. There was some discussion by the Minister about the administration of this fund, particularly in relation to defaulting landbrokers who were undertaking a finance broking function. It was indicated that there has been a substantial program of auditing of trust accounts of landbrokers with 112 audits having been completed and, at the time of the Estimates Committee, 130 were in various stages of progress while about 30 or 40 were yet to commence. It was indicated that a well-known firm of chartered accountants had been involved in designing the auditing program for the process that was being undertaken by landbrokers around the State. As a result of that program, one other case had been detected where a broker had defaulted.

It was not clear from the answers whether this was to be an ongoing process, that those who had been audited would be subject to spot audits and regular audits in the future, or whether this was a one-off exercise. It was not clear whether private accountancy firms had been involved in those audits or whether they were Government operated. Whether or not it is possible to get that information by the time the debate on this Appropriation Bill concludes, I hope the Minister will be able to give some further information about the auditing program being undertaken.

This raises the other question of co-regulation. Members will be aware that I have been a strong advocate for much greater involvement of the private sector, the Land Broker Society and the Real Estate Institute in surveillance of real estate agents and land brokers in respect of compliance with their obligations under the Land Agents, Brokers and Valuers Act, and also handing to these two professional bodies a greater level of responsibility for auditing, monitoring and other surveillance activities.

Unfortunately, that does not seem to have occurred although, as I understand it, there has been some discussion with the department about it. What I would like to know, not necessarily in reply but at some time in the not too distant future, from the Minister is whether that is something that is actively being pursued or whether the department is going to undertake the surveillance and monitoring of the industry. I have suggested previously in this Council that there is a lot to be said for professional bodies being involved in surveillance of the profession for which they have responsibility. They generally know well before any Government agency that there might be a problem with a particular professional person or land agent or land broker and they are able to act more quickly in ensuring that something is done to stop a problem in the early stages.

It is in their respective interests to ensure that that is done, because any problem such as that which has occurred with land brokers like Hodby, Schiller and others reflects adversely on all of the other reputable persons who are involved in that industry. They are some of the matters that arise out of the consideration of the Appropriation Bill. There are a number of important issues, but time will not permit consideration of them on this occasion. Therefore, I support the second reading of the Bill.

**The Hon. J.C. IRWIN:** I support the second reading of the Appropriation Bill. My contribution to this debate will concentrate on my Opposition responsibilities for local government and emergency services. First, I would like to add my comments to those of my colleagues who have also addressed the state of the economy in South Australia and who, from that base, ranged to economic matters affecting the State. I make no apology for basing my comments on my obviously conservative philosophy, which was strengthened by about 30 years of living and working in rural communities. Running a farm and working with nature, I suggest, is perhaps the best teacher of all. Of course, it is not an exciting life because there are not many high fliers in rural circles, and I do not recall any one of that ilk other than Mr Sherwin and Mr Holmes a Court, whom one would hardly call farmers, coming into the farming or pastoral area.

I cannot recall any high fliers or people based in rural industries who would be called entrepreneurial in the sense of the failed entrepreneurs that we have recently seen in Australia. Despite a decline in farms and farmers Australia-wide, there are many survivors. Many farmers will survive the present downturn through hard work, planning and an inherent ability to tighten their belt. In fact, they have become well practised at tightening their belt since the late 1970s. The cyclical nature of primary industry returns—that is, the cycle of commodity booming and busting—has been a feature of farming for many generations. In my 30 years of farming I have seen two high wool periods and two low periods, based on wool returns, with many shades in between.

Exactly the same thing happens with every other commodity, be it milk, wheat or whatever. This is simply supply and demand at work in nearly its purest form. One learns to live with it and plan for it. Nature, of course, plays a part, but thank goodness no Government has yet found a way to interfere with the elements of nature. People have tried to induce rain in times of low rainfall or drought with such things as cloud seeding, but inevitably this has not worked and has never been cost effective, let alone making allowances for the anger that can erupt when one farmer wants to seed clouds and make it rain and his neighbour does not want it to rain. At least with nature we cannot blame anyone at all.

Prior to beginning my contribution to this Bill today I looked at what I said last year in the same debate and found that what I said about the economic plight of Australia has unfortunately proven to be correct, but the problems, if anything, are worse than they were this time last year—and that is obvious. What I said last year bears repeating this year, as follows:

> The cold, hard, unpalatable facts are that we are clearly not prepared, and secondary industry is in no shape at all to make a dramatic contribution to Australia when rural produce, for one good reason or another, will not be able to make its usual contribution this year.

Primary producers now spend $2 billion a year less on plant, machinery and equipment than they did a decade ago. Since 1980 interest payments as a percentage of farm costs have doubled, and farmers are paying out $2.5 billion to financial institutions to meet their basic payments. The October issue of the *Australian Farm Journal*, in its cover story, states:

> When agriculture is sick, Australia and its economy is sick. That is the conclusion of an investigation which plots agriculture's fluctuating fortunes over the past 25 years, and compares the ups and downs with three national economic indicators—unemployment, inflation and the growth rate of gross domestic production (GDP). It gives the lie to the commonly held view that agriculture no longer is a significant factor in the overall Australian economy. Indeed, it indicates that, despite accounting for only 4 per cent of economic activity, it may well still carry the rest of the nation on its back. And if we accept the view of key economic analysts that it will take at least two years for the rural economy to lift, then predictions that the general economy will get out of recession early next year may well be wide of the mark.

If we are to believe Prime Minister Hawke when he persistently repeats that we are over the worst and that the Australian economy is on the way up, it could be the one

time in the history of Australia where agriculture will not be able to pull Australia out of the recession. I have a feeling that the recession will go on long enough for the cycles to come back to where rural commodity incomes will play a very significant part in pulling Australia out of the recession.

The three levels of government are increasingly squeezing the farmer almost out of existence. The intrusion of government is becoming intolerable. As I have often said before, there is a limit to the amount of blood you can squeeze out of the proverbial stone. Even though I had hoped that by now a thriving secondary industry in Australia would have replaced the past heavy reliance on export income from rural industries, it is still true to say, as was mentioned in the quote earlier, that a healthy, wealthy primary industry sector means increased wealth for all of us. One has to strip away the shades of envy of other people to see this truism.

It is an indictment on the Commonwealth Government that the Australian people are going through so much pain now when, since the breaking of the last great drought in 1982-83 until 1990, Australia has never been in such a good economic world climate.

The Commonwealth Government has clearly blown the one great chance that it had to shield Australia from economic downturns and to build a secondary industry base from which Australia could grow. We are left with nothing except a gigantic debt. The redistribution of wealth through taxes and charges from the productive to the non-productive has been a cruel joke played on people whose collective apathy has allowed it to happen. Many of those people are in the employ of the Governmentt or are recipients of the misappropriation of other people's hard-earned income. Their short-sighted and selfish demands on the Government, or on someone else, to provide the handouts will ensure that their vote will be hard to shift by any Opposition Party.

We do not hear so much crowing now from Governments about the 1.5 million, or maybe more, new jobs created during the 1980s. I wonder why that is. Has it finally sunk in that the cost of creating these jobs is all on our State and company overdrafts and the national debt? We are going to be paying for that for generations. A great proportion of those jobs are non-productive and represent a stone around our necks for years to come.

Almost daily we hear Premiers Kirner, Lawrence and Bannon asking people to question the Oppositions in their States about how they will deal with the economic problems of those States, let alone the Commonwealth. They try to point to the world recession as an excuse. However, they never ask the people to judge those right here in Australia who created most of the mess. I hope that people will look beyond the short-term fix which may line their pockets for a while longer but which inevitably will sink the ship completely.

It has been said often enough that the economic climate that we are in now is the worst for 60 years. That has been said by the Federal Treasurer, Mr Kerin. Although I was born after it, I do not think that anyone would want to go back to the Great Depression in Australia in the late 1920s and 1930s. None of us probably has any comprehension of what the depths of depression were like. However, if we do not make the right moves, our ship will inevitably sink towards the scenario of the late 1920s.

Earlier I referred to farmers and their philosophy based not on politics, but squarely on a generation of hard work and experience. Farmers can live with the vagaries of the marketplace—we have often talked about that here—but they cannot live with the increasing impost of Government taxes and charges which are ripping the heart out of this vital sector of Australian industry. Our farmers provide for the Australian people the world's cheapest unsubsidised food—that is recognised internationally—but they receive no recognition for that achievement. Farmers and other productive people in this State are still hit with the double whammy of the high Australian dollar and one of the world's highest real interest rates. We cannot kid ourselves that the Australian dollar floats against other world currencies, because it does not. Every time I used to hear the former Treasurer—

**The Hon. Anne Levy:** It's moved 2c in the past few days; that is the problem.

**The Hon. J.C. IRWIN:** Yes, I hear that every day; it goes up and down, but it is manipulated by the Reserve Bank on the instructions of the Government. It is a well-known fact that the Australian dollar does not float freely against the American dollar. Otherwise, it would probably float down to the 60c mark, which would be extremely disruptive to Australia. It is a well-known fact that it is manipulated by the Reserve Bank and the Treasurer. Interest rates and the Australian dollar are linked. If they were to fall to levels set by the real world, they would certainly help the rural commodity sector about which I have been talking, but this well recognised fact would spell disaster for the rest of Australia and Australian industry, which is now dragged down by a whole series of structural weaknesses which I do not intend to go into here but which are in fact there.

I do not single out the farmers as an example to the exclusion of the many other prudent groups and individuals in our society. I single them out—and I have probably done so *ad nauseam* before—because of my first-hand experience with them and in rural communities. As I said farmers are exposed to full market forces and to climatic conditions over which in most cases they have no control. They have no superannuation, no long service leave, no holiday loadings and certainly no gilt-edged security from any bank. Farmers must be prudent and prepared for the worst circumstances. This is a situation different from the State Bank, whose Government guarantees allowed it to make decisions which were not related to reality and which were grossly unfair. I want to use this model of the rural sector as one which others ought to look at and use themselves.

The private sector can take some solace from the socialist experiment in South Australia that took some elements of private enterprise and tried to weld them together as a State-owned South Australia Incorporated. This experiment has failed miserably, to the cost of every one of us. I hope that local government learns from this recent experience around Australia and in this State and curtails its move towards trying to compete, using other people's money, with private enterprise in its own area. It is easy to use other people's money; the responsibility for using it is different from when one's own money is on the line. It is very easy to use other's money and it is very easy to go wrong.

Part of my Opposition responsibility is to look at the area of local government, where we have witnessed massive changes in the past 12 months with the signing of the memorandum of understanding last October. We know that negotiations between the State Government and the Local Government Association are still continuing, although some areas have been finalised. One gets the feeling that a number of crunch decisions must be made by both the Government and the Local Government Association on behalf of the local government sector, in the next few months, or perhaps later. However local government is still talking about wanting to have these decisions made by the end of December. Some of the negotiations could have been a lot smoother

had all Ministers understood and stuck to the memorandum of agreement.

**The Hon. Anne Levy:** We have not negotiated anything that involves other Ministers yet.

**The Hon. J.C. IRWIN:** No, but I am talking about the memorandum of agreement. In fact, the Government has had to put out another paper with some principles—which indicated that some of the Minister's colleagues did not understand the agreement and were imposing on local government matters which properly, under the memorandum of understanding, should have been dealt with by having negotiations.

**The Hon. Anne Levy:** I would have thought that it hasn't affected the negotiation teams because it hasn't been in areas that they have been dealing with.

**The Hon. J.C. IRWIN:** Okay, I will provide some examples later. One instance that comes to mind of the State Government dictating to local government is the extra cost that the Onkaparinga council will have to wear in relation to fire protection for the Army barracks at Woodside. The Army has maintained its fire services at the base at an estimated cost of many hundreds of thousands of dollars each year. The request from the CFS headquarters for Woodside CFS to cover the Army base was brought to the attention of the council. The council objected to this on the basis that the Army does not pay council rates, council provides new appliances for the CFS, subsidised at no cost to the brigade, and council pays all maintenance and running costs to each brigade in its area. The calculated cost to the district in providing the fire service was $33 per assessment. By using property values as a calculating base, the established fair contribution for the Army to pay for this service would be $8 500 per annum, indexed to the CPI.

Why should the ratepayers of this area subsidise the Australian Army just to enable it to reduce its costs without some compensation being paid? As a result of the council objection, a special meeting of the group committee was called and a letter was written to CFS headquarters. The outcome of this was that the Onkaparinga council was told that the arrangement had already been finalised and that councils could try all they like, but they would not get any contribution from the Army towards maintenance costs and there would be no special grant from the CFS to the council to compensate that council. They would just simply have to wear it.

**The Hon. Anne Levy:** The memorandum of understanding certainly did not involve the Federal Government.

**The Hon. J.C. IRWIN:** No, but—

**The Hon Anne Levy:** The Army is Federal Government.

**The Hon. J.C. IRWIN:** The memorandum of understanding would cover the CFS, and the CFS imposed this on a council when it was dealing with the council. I believe it comes under the umbrella of the spirit of the memorandum of understanding. On Tuesday in the debate on the Motor Vehicles (Registration-Administration Fees) Amendment Bill, my colleague the Hon. Diana Laidlaw highlighted another example of the memorandum being ignored.

Local councils paid out a massive $6.5 million in 1990-91 to maintain CFS services. Local government's contribution to the fire service is more than the State Government's contribution and the fire levy contribution of the insurance industry—not collectively, but individually it is more. Local government also received another financial setback, again, I believe, in contravention of the principles of the memorandum; the CFS announced that there would no longer be funding subsidies for maintenance and equipment. That was just imposed on local government after a long history of its having subsidies. Whether the granting of subsidies is right or wrong, they were just removed, arbitrarily, after councils had set their budgets. The Onkaparinga council is using that as an example of its exceeding its budget for fire purposes. The excess is expected to be $90 000 for 1990-91, and the loss of the subsidy will mean an extra cost to that council of about $6 000. That in itself might not mean a lot, but it means much to those people.

Local government collects about $230 million a year in rates and $60 million comes in through the Grants Commission. In order to fund the increased functions of local government, councils will have to increase their income or streamline their services. Obviously, depending on the outcome of the negotiations—

**The Hon. Anne Levy:** Total local government resources each year are about $750 million.

**The Hon. J.C. IRWIN:** I said, that was just from rates.

**The Hon. Anne Levy:** Income from rates—less than half their income.

**The Hon. J.C. IRWIN:** Right. I also note the recent publicity about local government talking to the State Government about a new tax, and that issue was raised in a question asked by the Hon. Mr Griffin this afternoon. It is perhaps a little strange that the State Government is prepared to discuss this possibility when, at the same time, Mr Bannon is rejecting any suggestion by the Federal Government of a new taxing power for the States.

While wages and taxes are going up, grants to local government are not keeping up. In the past local governments have tended to become reliant on Government grants as part of their income, rather than using it as a supplement to rates income. As a councillor, and in this place, I have always said that councils ought to be very wary about local government grants coming through the Grants Commission from Federal grants, or from whatever basis they were calculated, because Governments are unreliable and, if those grant bases subside, local governments have to be prepared to wear a reduction in their own grant income. Councils should not become reliant on those grants. I believe that the Whitlam and the Fraser philosophies were fairly clear that local government should be careful about that: grants should not necessarily be in lieu of rates but the cream on top of the cake.

Many rural councils have had to cut their staff to accommodate the ratepayers' ability to pay. For instance, Kangaroo Island farmers are appealing to their council to reduce their rates by half. I know of many rural councils which have kept their rates down and which are offering every assistance to individual ratepayers who are having difficulty paying their rates.

*The Hon. Anne Levy interjecting:*

**The Hon. J.C. IRWIN:** I do not have them here, but I could find a number. One example was put to me earlier this year: they had to pay for a CFS fire truck which they did not want. In fact, I think it involved two trucks at a cost of about $180 000. They had to put off people and stop road funding, because Mr Macarthur told them that, if they did not buy the trucks, they would be sent a section 62 notice and also the bill. The decision as to how the council would spend its rate money was taken out of its hands, and it did cut staff. I can certainly find that for the Minister.

Local government attention will be focused on the Special Premiers Conference in November this year, as will the attention of many others. Financial equity based on economic efficiency and a level playing field between the States will obviously be discussed.

On 15 August this year, in reference to statements by the Queensland Premier that he would 'road show' other States later this year to attract business on the premise of lower taxes, the Premier of Victoria, Mrs Kirner, said:

> This challenge [of Mr Goss] has effectively started a major battle over what is known as the fiscal equalisation.

She said that Mr Goss was welcome to compete for interstate companies, but that competition between States must be based on a level playing field and not the present arrangements that redistribute tax income from Victoria and New South Wales to States such as Queensland. She further said:

> Put bluntly, if he thinks Victorian and New South Wales taxpayers are going to subsidise this State to the tune of more than $300 million a year so he can keep his taxes down and use that to sell his State to Victorians, then he has taken on a battle he will not win.

I will cite New South Wales taxation paper No. 2, under the heading, 'Financial Assistance Grants per capita in 1991-92 (page 397) so that members other than the Minister can understand what the argument is all about.

**The Hon. Anne Levy:** I certainly know what it is about.

**The Hon. J.C. IRWIN:** I know that. I said, 'Other than the Minister'. I know that the Minister knows what it is all about. In relation to per capita grants it states:

| | $ |
|---|---|
| New South Wales | 611 |
| Victoria | 601 |
| Queensland | 880 |
| Western Australia | 949 |
| South Australia | 1 020 |
| Tasmania | 1 196 |
| Northern Territory | 4 492 |

The level of cross-subsidy provided by New South Wales and Victoria to the smaller States and Territories can be measured on two different bases. The first is to measure the difference between the actual level of payments and the level were [sic] payments based on equal per capita shares. On this basis New South Wales subsidises the smaller States by $977 million. The combined New South Wales and Victoria subsidy is $1 756 million.

The second method of measuring the level of cross-subsidy is to compare the actual payments made with the level of payments were [sic] the pool of financial assistance grants distributed in proportion to the level of Commonwealth personal income tax raised in each State. On this measure the level of cross-subsidy in 1991-92 from New South Wales and Victoria to the smaller States was $2 361 million, of which New South Wales contributed $1 303 million. Over time this broader measure of the level of cross-subsidy from New South Wales and Victoria to the other States has increased. Since 1986-87 the cross-subsidy has increased by over 40 per cent or around $700 million . . .

**The Hon. Anne Levy:** Do you support that?

**The Hon. J.C. IRWIN:** I will come to that in a minute, but I chose to include that quote, because one of the methodologies that has been suggested by the Federal Grants Commission inquiry is to go to household income and, although it talks about taxation contributions by the larger States of Victoria and New South Wales, by using a taxation level raised in the States it has a relationship to household income. On the following page, under the heading of 'Review of Efficiency: Implications of Fiscal Equalisation' it states:

> Put simply, the Grants Commission's assessment of cost disabilities related to location (particularly scale and dispersion disabilities) drives a wedge between the true economic cost of providing Government services and the tax price imposed on a State's population. The smaller, high cost States are in effect subsidised by the low cost States of New South Wales and Victoria. The population of these higher cost States do not face the true economic cost of services which leads to the over-provision of these services (compared to the efficient optimum). Alternatively, low cost States will be forced to under-provide Government services due to the high tax price imposed on their populations (to cover the subsidy paid to the high cost States).
>
> New South Wales continues to argue that the Grants Commission's assessment of relativities for the distribution of Commonwealth general revenue assistance should take into account both allocative efficiency and equity considerations. It is acknowledged that such a development would result in reduced horizontal equity between individuals living in different States. It should be noted however that any movement away from horizontal equity is likely in the longer term to improve the position of all members of the community through a higher level of economic growth.

**The Hon. Anne Levy:** Unproven.

**The Hon. J.C. IRWIN:** Most of it is unproven, quite frankly.

**The Hon. Anne Levy:** Does the honourable member support Mrs Kirner?

**The Hon. J.C. IRWIN:** I will come to that. Mrs Kirner and Mr Greiner are at odds about the level of their States' subsidation of the other States. For instance, Mrs Kirner talks about $300 million a year from both States, and New South Wales talks about a much higher amount. Whatever it is, they agree on the principle but they disagree on the amount. However, their arguments are there and we should be aware of them rather than just parrotting on that, because we are a smaller State, we should therefore have our hands out for more and more subsidy.

Nobody is suggesting that there will be an easy or acceptable answer for any of the States. Whatever comes out of it, South Australia might not be happy. If South Australia is happy, one can bet one's life that one other State will not be happy. So, I do not imagine that with any of these formulae that are developed by a committee that becomes a camel, if one gets away from the principles, one will have an answer to satisfy each State.

If fiscal equalisation is high on the agenda—and I am not sure whether it is high—of the November Premiers' conference, the outcome will affect the State. It is always easy to argue for more money and more grant money: I have done it as a councillor, and I would support the Minister here in doing it. I accept that general thrust, but in doing that we must not cloud the most efficient way of using grant moneys that are available. They are not our moneys: they are raised from productive people and given in the form of taxation to Governments to redistribute.

*The Hon. Anne Levy interjecting:*

**The Hon. J.C. IRWIN:** The Minister's fiscal equalisation in relation to the South Australian Grants Commission has money leaving the country to go to the city at a fairly high rate. I have those figures to show that, and so does the Minister.

**The Hon. Anne Levy:** Because we are still moving towards fiscal equalisation. We have another two years to go.

**The Hon. J.C. IRWIN:** In another two years it will be even worse.

**The Hon. Anne Levy:** What about electricity and water?

**The PRESIDENT:** Order! The Hon. Mr Irwin.

**The Hon. J.C. IRWIN:** If the Minister wants to get into that argument, and the Minister is talking about capital values, there is no link at all between capital values and the ability to pay. Show me where it is in small business or in farming. It is not there. It used to be in theory, but the theory has had it: it has gone. If you talk about cost recovery for a number of things, it is there, in rural areas. They pay for it; they pay for it with ETSA.

*The Hon. Anne Levy interjecting:*

**The PRESIDENT:** Order!

**The Hon. J.C. IRWIN:** I pay full tote odds for my electricity.

**The Hon. Anne Levy:** No you don't.

**The Hon. J.C. IRWIN:** I am sure I do.

**The Hon. Anne Levy:** You don't.

**The Hon. J.C. IRWIN:** Well, most of it I do.

**The Hon. Anne Levy:** You are subsidised so that you don't pay more than in the city.

**The PRESIDENT:** Order!

**The Hon. J.C. IRWIN:** Also on the agenda at the November meeting—

*The Hon. Anne Levy interjecting:*

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

**The Hon. J.C. IRWIN:** Where in what I have said have I criticised that? I have said that I will argue with the Minister for more grant money for South Australia.

*The Hon. Anne Levy interjecting:*

**The Hon. J.C. IRWIN:** I am saying that it should be based on the most efficient use of other people's money; that is my bottom line. Why are we in the mess we are now in here in Australia or in South Australia?

*The Hon. Anne Levy interjecting:*

**The Hon. J.C. IRWIN:** I will start asking you to pay for my products, and the hours that my people at the farm put in to produce the product. You couldn't pay for it.

**The Hon. Anne Levy:** That is called supply and demand.

**The Hon. J.C. IRWIN:** That is what we are working on, but you are not asking for that as far as grant subsidy goes. You are not working on supply and demand at all, you are distorting it.

**The PRESIDENT:** Order! The Hon. Mr Irwin will address the Chair.

*The Hon. Anne Levy interjecting:*

**The PRESIDENT:** Order! This is not an exchange across the Chamber; it is a debate. The Hon. Mr Irwin has the floor.

**The Hon. J.C. IRWIN:** Also on the agenda at the November meeting is the dividing of the Better Cities tied grants, whatever they are. In August this year the Federal Government announced that local government would play an important part in this $816 million scheme to reshape major and regional Australian cities. That is the Federal Government imposing itself on the cities of Australia. I understand that the five year funding plan will make $56 million available in 1991-92, but, as I have said before, the Director of Planning (Mr Lennon) says that this is a knee jerk reaction, no more than a cosmetic renaming of funds, and a reaction to a perceived and real political agenda rapidly looming on local government at all levels. One might keep on asking: what is the real political agenda for this Better Cities money? It is obviously coming from and being funded by the 2.5 per cent impost on doctors' fees.

*The Hon. Anne Levy interjecting:*

**The Hon. J.C. IRWIN:** Does the Minister support $2.50 being collected every time she visits a doctor? It is already reported that the Victorian and Queensland Premiers have announced plans for how they will spend their money, and both plans were for urban development. I hope that the regional areas of South Australia will be considered and line up at the barrier for this Better Cities money. However, I guess they do not even know yet that it is there.

Another point that has not been clarified is the question of who is setting the guidelines for how this money is to be allocated, and what the guidelines are. On 22 August, the Minister for Local Government Relations, in answer to a question I asked, said that numerous working parties were involved in these discussions. I asked when she would let us know what were these numerous committees that were having discussions.

We have also not been told if any tied grants will reduce grants through the Local Government Grants Commission to councils that receive Better Cities grants. In other words, if the City of Elizabeth attracts $5 million or $10 million in grants from the Better Cities program, will that be taken into consideration by the South Australian Grants Commission when it allocates its funds, because, although it is only a theoretical amount of money, that city will already have received a pay-out towards building a better city?

I hope that the Minister for Environment and Planning will soon tell us about all the consultation that has been taking place with local government on how the Better Cities grant money will be spent and what other services will be cut to pay for this tied grant. There may not be so much of a cut in services, but it will be taking money from other good services that are provided.

I believe that local government is still negotiating with the State Government on the funding of State libraries. I and others will wait with interest—as I know my colleague the Hon. Diana Laidlaw will—for the results of those negotiations that are now taking place to resolve the future of libraries and their funding around South Australia, acknowledging that there has already been—after a fairly rough start—some progress, with the City of Adelaide now playing its part in funding a major library in the city.

I now turn to the Country Fire Services. In 1987 the CFS had 716 appliances. Admittedly, some of them were old, but there have been instances of trucks being scrapped whilst still capable of attending fires. We now have 593 appliances in South Australia—123 trucks fewer than in 1987, and that is 123 fewer trucks available to attend an Ash Wednesday fire. After the warnings we have been given by the large fires already in New South Wales and a couple of small ones in South Australia in the past week, that number of trucks may prove to be a disaster. The capital cost of these appliances is $9.925 million as at June 1991, which I do not believe has to be repaid. From questions we asked continually during the Estimates Committees, it appears that it is a capital cost that does not have to be repaid but it is adding up, and the interest to be paid on the money is adding up. It will not be long before the interest payments will add up to more than the capital payments. At June 1990 the interest payments stood at just under $1 million per year—$982 000. As it now stands this interest will have to be paid for as, indeed, will the interest on the State Bank debt.

The rationalisation of appliances has seen trucks in very good working order put onto the scrap heap, despite very low mileage, simply because they were getting close to being 20 years old. On the other hand, we have a situation where school buses in rural areas are clocking up around 400 000 to 500 000 kilometres and are still in service. One may ask why the same standard of replacement and roadworthiness is not applied in both cases. It has been suggested on occasions that, if the same roadworthiness tests were applied to school buses as are applied to fire appliances, not too many children would go to school in those buses. Surely the safety of our children should be of the highest priority. This anomaly also highlights the ridiculous standards applied to our fire trucks. I say 'ridiculous' in a sense that everyone would like to have a Rolls Royce. In this world of priorities it is not always possible to fulfil every priority. People are being killed and injured on our dirt roads in rural areas because the roads cannot be upgraded as councils are forced to spend their limited money in such areas as the provision of CFS funding. We cannot have it both ways.

Fire insurance levies for the Metropolitan Fire Service and Country Fire Services recently rose in most classes. Suggested fire levies calculated by the insurance industry and circulated within it for the metropolitan area are as follows: fire and business interruption, 60 per cent—up 15.3 per cent (I am talking about a premium plus 60 per cent with a further 8 per cent duty, taking it up 15.3 per cent from last year); contractors' risk, 66 per cent—up 46.6 per cent; industrial special risk/multi-risk, 43 per cent—up 19.4

per cent; householders and house owners, 22 per cent—up 10 per cent.

In the Country Fire Services area, the levies are as follows: fire and business interruption, 23 per cent—up 9.52 per cent; contractors' risk, 24 per cent—up 26.3 per cent; and industrial special risk/multi-risk, 17 per cent—up 24.2 per cent. There is no change to the houseowner or householder rate of 10 per cent or crop rate of 2 per cent. On top of that the Government takes an extra 8 per cent stamp duty, as I mentioned earlier. If it is to keep pace with all other Government tax rises lately, that will probably go to 10 per cent in the near future. These are massive rises and all indications are that they will go up again next year.

There is every indication that because of the depressed economy fewer people will be taking out cover in the first place and, as the fire levy will be spread over fewer people, those taking out full insurance cover will pay more. There is no wonder that councils, landholders and volunteers have grave concern about the rising cost of the fire fighting bureaucracy, especially when the decisions on funding are taken out of the hands of those who pay and those who provide many millions of people-hours in voluntary service to the community. We also have a situation where rural towns which use metropolitan fire brigades contribute towards maintaining the city brigades.

One large company in the South-East pays more in fire levies than the whole Mount Gambier MFS station needs for its operation. Other rural towns have MFS stations which cost the taxpayer thousands of dollars a year and which could and should be covered by the Country Fire Services. Much of their time is taken in answering false alarms. As I mentioned last year, the independent future of the Country Fire Services was in doubt. It is even more in doubt today with its future hanging in the balance as a result of the Bruce report.

In the Estimates Committee the Minister assured us that the Country Fire Services would always be independent but I fail to see how that can be so if training, communication and incident response are all amalgamated, and that is what the Bruce report is all about. What, one may ask, is left of the CFS to allow it to be independent? The St John blueprint is there and I can assure the Minister of Emergency Services that no amount of sweet double talk about economic advantage and so on will convince the volunteers that their days are not numbered. Once again, the hardworking volunteers' feelings are not considered, just as we saw with St John. The union dictated to the Government in that case and it looks as if the CFS will go the same way, unless the volunteers step in and demand a halt to this madness. I am not the only one who last year and this year waved a red rag, asking and following up questions—

*An honourable member interjecting:*

**The Hon. J.C. IRWIN:** Or a blue rag, if you like, but a red rag to a bull is the idea I am trying to get across. It is like crying wolf; the longer one cries wolf, the worse it becomes. I am not doing that, and when I ask the Minister and his advisers certain questions they look at each other, shrug their shoulders and shake their heads as though they know nothing about it. Then, the following year it transpires that negotiations are currently taking place (in fact, on Tuesday) about these moves towards amalgamation at one end of the scale.

As we all know, the end result in the case of St John is a service that has been priced out of reality. Many events are taking place around the State that can no longer afford to have St John on standby in case of accident and, once again, the public suffers with reduced services and increased cost.

There just has to be a limit to how long Ministers and chief executive officers can trot out legalities, when fire does not have any regard whatsoever for our attempts in here to cover every situation with a legal solution. Earlier this year Minister Klunder called for a review of the Country Fire Services Act. In response to my call for an open meeting on the problem in the CFS, the Minister said in the *Border Watch* in July this year:

> If Mr Irwin cannot be constructive perhaps he should withhold judgment until the review has been completed. He fails to realise that if a reasonable timetable is not set, there will be no chance of meeting a deadline.

Submissions to that review were completed at the end of June and we have not heard another word from the Minister about the review. So much for keeping deadlines. We are now on the threshold of a new summer. I remind the Chamber that the idea for the review came as a result of the fire around Iron Knob on Eyre Peninsula in November, about this time last year, and the shambles that ensued. In addition, there were the fires at Flinders Chase, on Kangaroo Island, and at Narrung, in the South-East. All these fires involved an element of national parks, and as a result there was such an uproar that the Minister promised to review the Act.

Over the past 12 months we have seen headlines such as '"Parks can burn", says fire chief' (*Advertiser* 1 July)—that headline refers to the rift that followed when the National Parks and Wildlife Service attempted to sue a farmer for the cost of fighting a park fire; 'CFS rejects blame over bungled fire' (*Advertiser* 5 January); 'CFS faces claims of bungle' (*Advertiser* 12 November 1990); 'Bungled fire leads to review of Act'; 'Volunteers declare war on CFS control' (*Stock Journal* 24 January 1991). I could go on, but that will give an indication of the unrest; yet, the Minister and some sections of the CFS hierarchy keep telling me that there are no problems in the CFS.

As I have said repeatedly, the indication I am getting from correspondence sent to my office is that there are problems and that many volunteers are not happy with the current direction of the CFS. I will refer to some of the points made to me—and, no doubt, to the Minister of Emergency Services for review—by CFS volunteers, individuals and groups. I wrote to volunteers under great difficulty because the Minister's office would not give me an avenue through which to address letters and envelopes to volunteers, and it had to be done another way, so we did not reach all the volunteers. I am disappointed with the Minister's attitude to that matter and with the criticism from some of the senior volunteers and, in particular, senior paid CFS staff around the State who thought it was great fun to abuse me for attempting to communicate with CFS people. They were not all like that, but one or two were, and it shocked me.

At the top of the list of issues that have come to my office repeatedly is funding. Before the last State election the Opposition and the Government promised to find new funding arrangements for the CFS and the MFS, but the Government has made no move at all. Such arrangements would not fix all the problems but it would take away the problems that exist between local government, the CFS board and the Treasury, which funds the CFS.

The bureaucratic system of power in the hierarchy of the CFS has caused widespread problems. Small brigades should be recognised and not forced to attend to administrative matters in the same way as large brigades. The chain of democratic process can take months; in one case it took 15 months for proposals to be acknowledged by the board. The advice of group management committees is often ignored, causing members to wonder why such a committee was set

up in the first place. Communities and rural areas in South Australia are isolated from CFS headquarters. Small brigades are not able to fill all their positions. Many are now put off because of the massive increase in responsibility, some of which has occurred through changes in the CFS legislation, and the bookwork that is involved.

In many instances, it is no longer possible to give the kind of service expected by the community, owing to the closure of brigades and the reduced number of appliances. I have already mentioned that there are now about 100 fewer appliances. Standardisation of plans throughout the State has not taken into account the different types of terrain serviced by those appliances. Broad acre flat farming land, such as the type of land owned by my friend the Hon. Mr Dunn and me, and the Adelaide Hills, which are not flat, need different appliances.

Some time ago, the CFS told me that that matter had been sorted out, but I keep getting advice from the field that that is not so. Some people are very unhappy with the appliances they have to use, especially in the hills face zones. Because of the structure of the board and the fact that the Chief Executive Officer is the Chairman, it is nearly impossible to influence or alter the policy of the Country Fire Service.

**The Hon. Diana Laidlaw:** They have done the same with the STA.

**The Hon. J.C. IRWIN:** Have they? Of course, we did not support that with respect to the CFS. Quite frankly, I cannot understand why anyone would want to take on both jobs. How you can get the maximum power from each of those jobs if they are undertaken by the one person I just do not know.

*The Hon. Diana Laidlaw interjecting:*

**The Hon. J.C. IRWIN:** They do not: they have a review going on at the moment but it is a review by the Chairman of the board and it is Caesar judging Caesar again.

My final area of responsibility is the police, and we see once again, with the release of the quarterly crime figures and the Police Commissioner's annual report, massive increases in crime in this State and, however we look at it, quarter by quarter, or year by year, throughout the past 10 years that has been the trend. Experts claim that crime increases when there is a downturn in the economy and increased unemployment. It is not hard to know who to blame for that. I remind the Council that we had hard economic times in the early 1980s from 1981 to 1983, and times are somewhat worse in 1990, 1991 and 1992. The crime rate per 100 000 of population is still rising, and that partly puts to rest the theory that the crime rate rises in recessive times. The crime rate was at a certain point in the early 1980s and we have come right through to the 1990s in good times and all the way through that, as a general rule, the crime rate rose to where it now sits at the beginning of another depressed time.

Much has been said in past weeks about the rising crime rates, and I am sure that all members are aware of how bad these statistics are. I share with other members the thought that perhaps it is overdone and that it should not be pounded in the papers and Parliament every day of the week, but it is necessary for the community to understand what the figures are and for people to discuss them in our suburbs, towns and cities in order to try to find some answer to it.

If people are not given information—however good or bad—they cannot make those decisions. For instance, car thefts occur at a rate of 42 a day in South Australia and the cost to the community is enormous. In 1990, the value of car thefts in South Australia was $54 million, based on insurance figures. That would be under the actual cost because many cars are not insured.

Car thefts in South Australia are 16.28 per 1 000 cars registered. In 1990 South Australia rated as one of the worst States for car theft. Only New South Wales, the Northern Territory and Western Australia were worse than us and our rate of theft is worse than the rate in Victoria. South Australia and Australia have a rate much worse than America.

Often the Attorney-General claims that our crime figures are not as bad as those in the US per head of population, but this is one area where, although car theft is not a major or violent crime, in America it runs at about eight per 1 000 head of population, whereas our figure is about double that. An international survey of crime victims published in 1989 shows that Australia, along with France, has the highest number of victims of car theft, involving 2.3 per cent of those surveyed. The United States is next with 2.1 per cent, followed by England with 1.8 per cent. Car theft has increased by 17.3 per cent in the past year. When we add this to the $54 million for 1990, it is an impressive figure.

The recovery rate of cars by the police is good, but the rate does not indicate the state of the cars when they are recovered. What has been overlooked by the Minister of Emergency Services is that, with the huge increase in crime, police numbers have been left behind. In 1980-81, the Police Department comprised 3 250 uniformed officers and 128 301 reported offences, that is, 39.47 offences committed per officer on the force.

In June 1991 there were 3 535 uniformed officers and 224 225 reported offences, that is, 63.43 offences per officer. This represents an increase in offences for each officer of 60.7 per cent. In 1981 cadets were not included in uniformed police numbers, so I have not included them for 1991. The 1991 figure also includes 19 inactive officers and 18 Aboriginal police aides and, if these officers and aides were subtracted from the total uniformed officers, the figure would be worse. Aboriginal police aides do marvellous work in their areas, so I am happy to include them.

The Minister keeps telling us that the Government has increased the number of police and that we compare more than favourably with other States. However, when a police officer is expected to deal with 63.43 per cent more crimes than he was expected to deal with 10 years ago it is no wonder they are not keeping up no matter how hard they try. The number of fully trained police has increased by 8.7 per cent in the past 10 years, yet reported crime has increased by 74.76 per cent.

Over the past few months the Opposition has tried to get proper comparative active police to population figures from the other States around Australia but has been told that those figures have never been properly compiled and that there has never been a level playing field to enable easy comparison. In other words, active, inactive, bands, drivers and everyone are mixed up together. From our ringing around, however, I believe that Queensland is attempting this exercise now, and I hope that that information will be available so that we can all quote accurate figures taken from a level playing field.

In 1981, 49 293 crimes were cleared up—a clear-up rate of 38.42 per cent; and, in 1991, 69 781 offences were cleared up—a clear-up rate of 31.12 per cent. So, in that 10 year period there has been a reduction in the clear-up rate of some 7 per cent or more. On requesting information about the clear-up rate as shown in the Commissioner's report, the Parliamentary Library stated:

The cases which weren't cleared up over the last reporting period should really be seen as being still available to be cleared. Theoretically uncleared cases should be retained in the system as

available to be cleared during the next period, but the effect would be to increase enormously the number of cases which the police have 'on their books', so the statistics reflect what I suspect is the actual practice—namely, that at the end of each reporting period uncleared cases are disregarded.

I do not think that that is entirely the case because obviously some cases are on the books for a long time—forever in theory. But, for statistical purposes they are discarded each year.

I have done some work on that and, if this is in fact the case, it would seem that since 1979-80 until the end of 1991 there were 1.266 million reported crimes outstanding and waiting to be solved by the police. This is not good enough. Rather than stating, with some smug satisfaction, that our police numbers per head of population match those of other States, we should be concentrating on achieving a much better clear-up rate. This would signal to would-be offenders that there is a certainty of detection and penalty. I think that they are words that should be ringing in people's ears, particularly in criminals' ears or in the ears of those who are moving towards antisocial behaviour—that there is a certainty of detection. That is the best deterrent of all.

As it is now with property offences, the chances of being caught are one and a half in 10. Only 16 per cent of all property-related offences are cleared up. We should be aiming at eight out of 10 or better. The average for being caught and dealt with for all offences becoming known to the police and cleared up is three in 10 or 31 per cent. They are not good figures. Last year, according to the Police Commissioner's 1990-91 report, 154 444 offences were not cleared. While 58 per cent of violent offences were cleared, only 16 per cent of those affecting properties were cleared. As I said previously, only 31 per cent of all reported offences were cleared in 1990-91.

The tragedy of the crime rate in South Australia is the juvenile offender. In September this year the Attorney-General misled the South Australian public with a statement that 'the proportion of youth crime in the overall crime rate has steadily declined in the past decade'. In 1979-80 juveniles were responsible for 23.6 per cent of all cleared crime. In 1989-90 the figure was 24.6 per cent. In 1990-91 there was another rise to 25.4 per cent. In June 1979 juveniles represented 30 per cent of the population in South Australia. In June 1989 the number of juveniles had fallen to 25 per cent of the population. The number of offences committed by juveniles per thousand in 1979-80 was 28 per cent. In 1989-90 the figure had risen to 42 per cent, and in 1990-91 there was another rise to 49 per cent. The number of juveniles has declined, but not the proportion of youth crime.

The Attorney-General cannot claim that juvenile crime is decreasing unless his Government can provide the resources to clear up the majority of the 1.26 million outstanding crime cases since 1979-80, or unless his crystal ball can tell him what percentage of juveniles is hidden in that 1.26 million figure. There are reported crimes where age groups are not mentioned, only the areas of the misdemeanors, but when they are cleared up they are gazetted and signalled to everyone as being in an age group. The only time that one can see whether they are juveniles is when it reaches that clear-up stage.

The June quarter crime figures have not yet been published in the *Gazette*, even though they are already part of the Police Commissioner's report for this year, and we have passed by some weeks the date when they were gazetted last year. I am told that they may not be published because some people, including myself and others and the press, understand them as figures or statistics before the Minister does. It is the Minister's responsibility to understand the figures and trends and it is his serious responsibility to let the community know what the figures mean.

There is no doubt that Minister Klunder really got himself in a mess with the police budget figures during the Estimates Committees, and probably before. Somehow he forgot about the police wage increase, but on his past performance that was to be expected. The South Australian public still has not been told how the difference will be made up. There is only one way: perhaps more taxes and charges, more speed cameras and more expiation notices. The cost of the police wage increase is $4.5 million in this financial year and $11 million in a full year. If the $4.5 million cost of this wage rise has to be accommodated within the police budget, as the Premier says, this year's increase in spending becomes just under 3 per cent in real terms.

Last Sunday, the Opposition released a discussion paper on public safety. It seeks to focus on community concerns, to identify issues, to promote informed discussion and to encourage public and professional debate. Briefly, I will outline some of the proposals for the police in the public safety paper. The paper covers the whole range of public safety issues from police to courts to prisons. There are a lot of levers to pull in order to solve the problems, and we can start with the family, the school and the community.

As to the proposals, first, we want an increase in police numbers and, as well, a reallocation of active police numbers. We will be looking to expand police camps for juveniles, to break down the barrier between teenagers and the authorities and to encourage the confidence of juveniles to redirect their lives away from crime. Special attention must be directed to that hard core juvenile offender. We propose a maximisation of increased police resources on crime prevention, involving local government, welfare agencies, business houses and volunteers, and an expansion of neighbourhood policing by encouraging the re-emergence of local police stations and locate police officers in large shopping centres in shopfront facilities. We will consult with local councils. I hope that this will help to strengthen Neighbourhood Watch.

I welcome the discussion in today's *Advertiser* around the report prepared by the Office of Crime Statistics which was entitled 'Crime and Safety in South Australia' and which is based on surveying 4 400 homes in this State. I have not seen the full report yet, so it is difficult to comment at this stage. I hope the full report will be made available to the members of the Coalition Against Crime and to all members of Parliament. The rural crime report figures have shown from public discussion that there is widespread community concern about crime. The report's findings seem to substantiate that concern.

Neighbourhood Watch and the numerous other enterprises are good community initiatives. However, they are not a substitute for police and proper community policing by police. However, they are a very vital adjunct to that proper process. There are problems with Neighbourhood Watch. I do not signal that they are massive problems, and I do not intend to go into them now, but the general direction announced in our public safety paper seeks to strengthen the community support and the Neighbourhood Watch factor. It has long been acknowledged that the greatest problem with the watch program is maintaining the initial enthusiasm when it was set up and when there was a lot of obvious crime about.

We also propose to provide more budgeting and administrative autonomy to regional police commanders to give them greater flexibility in how they would design programs for their region in consultation with the community leaders in the area. We propose to concentrate more resources in

neighbourhood policing by civilianising more jobs that are now unnecessarily occupied by trained police officers. We also want to increase emphasis on police education and recruiting requirements. However, we would be careful not to encourage the training of police away from the streetwise campaign; the police should be trained for street action.

When we talk about improving education, we would like to encourage the picking up of those people who show an inclination for obtaining more academic qualifications and allowing them to pursue that course. A lot of crime areas require people with scientific, accounting and academic abilities, as well as being streetwise. In conclusion, I hope there is a healthy public debate on the issues raised in the public safety paper, ranging from the police to the courts to the prisons. There are many problems, and the Opposition will play a part in trying to resolve them. I support the second reading.

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

## DRIED FRUITS (EXTENSION OF TERM OF OFFICE) AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 23 October. Page 1338).

**The Hon. PETER DUNN:** The Opposition supports this Bill. It is a very small Bill and, in effect, is a mechanical measure which extends the life of the present term—which expires on 31 December—of three representatives on the Dried Fruits Board into 1992, because a review of the dried fruits marketing regulations is coming before this Chamber some time in the new year. It would be foolish to have to elect a new board just for a short period.

It is interesting to note that the board has been relatively successful. I have a copy of its latest report, dated February 1991, and I will go through a few of the matters that the board handles in a year. The President of the board, Mr David Harvey, has presented a fairly comprehensive report, which has been split into a number of parts, and I shall comment on a few of them.

The report refers to research done by the board, and it is looking at bulk-bin tipping. Obviously, the production of dried fruits is a very labour intensive activity. Cutting and drying fruits of any sort, whether they be apricots, prunes, peaches, pears or whatever, is very labour intensive and the world markets are demanding that the product be handled less and less by human hands and that it be sprayed less and less. So, there is continual research into factors that will allow dried fruits to be handled more in bulk and less by hand. We see that the research in South Australia has concentrated on bulk-bin tipping, sampling and air-stream sorting. I think that is important because we are now competing with the southern European countries, such as Italy, Greece and so on, and I suspect that we will have more competitors now from the eastern bloc because a lot of fruit is grown in those areas.

Having used bulk methods, we are now looking at better inspection procedures, because we need to have a product which is even and consistent in its presentation and which is consumed at an even rate, too. That requires accurate and careful inspection. It is unfortunate that an experienced inspector had a serious accident during the year and the board has had trouble replacing that gentleman. The other factor that the board is looking at is a common standard throughout Australia. Obviously, there have been different standards from State to State, and the board has been looking at standardising Commonwealth and State legislation.

It is interesting to note the amount of imported fruit products that come into Australia. We are a nation that produces and has the potential to produce a lot of dried fruit. As I said, we were being undercut by other nations, particularly in southern Europe, and I understand that some fruit was coming in from the Americas. At one stage, dried fruit prices dropped quite dramatically in Australia, particularly in South Australia. The price has now lifted a little, although there has been a slight regression in the amount of total product that has been produced in South Australia over the past five years.

I have concerns about nations dumping their product in South Australia or, for that matter, in Australia, and I think our dumping rules are crazy. We ought to make those nations prove that they are not dumping their product instead of the other way around. At present we have to prove that they are dumping the product and it takes nearly 12 months to do that. I think that is crazy. The sooner we change the rules on dumping the better. There is a corollary with the fruit juice industry, and we have heard a lot about fruit juices, but not so much about the dried fruit industry.

Chemical residues, which I mentioned earlier, result from the spraying of products. Some of the chemicals are used to help us in the drying process and some are used as preservatives. That issue is attracting very close attention from the board.

The board indicates that growers are now becoming very aware of that; they know that they must produce a product that is free of contaminants. It is interesting that the board recognises that growers are aware of that. In fact, in its report it states that the few growers who had not taken due care were suitably penalised to cover the additional treatment costs. That is important because, if we are to retain our position as a world exporter, we must have that product. The board also states that there will be a review of the marketing legislation and that three members will retire from the board. That is what this Bill does.

In conclusion, in 1985, the total production figure for South Australia was 87 918 tonnes, and in 1990 it was 73 863 tonnes, a fall of about 15 per cent. Therefore, the product has been subject to competition in recent years and, if the price increases, I have no doubt that production will increase again. So it is an important industry in South Australia; it is a vital part of the Murray River and its economic viability. I am all for making it work as smoothly and as efficiently as possible, and promotion of that board and allowing it to remain in its present situation for a few more months may help to cut costs.

Finally, the balance sheet attached to the report indicates that in 1990 there was a surplus of $361, but in 1991 the surplus was $14 527. So, by the sound of it, that is a fairly efficient board. The costs are not very high. I, for one, support this Bill, which allows that board to continue its operation until some time into 1991.

Bill read a second time and taken through its remaining stages.

## WRONGS AMENDMENT BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendments.

## EVIDENCE AMENDMENT BILL

Returned from the House of Assembly without amendment.

## ADJOURNMENT

At 5.53 p.m. the Council adjourned until Tuesday 29 October at 2.15 p.m.