LEGISLATIVE COUNCIL

Wednesday 15 April 1992

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

PAPER TABLED

The following paper was laid on the table:

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

Report by the Chairman, South Australian Planning Commission—Section 7 Report on Proposed Development at the Waite Campus by the Department of Agriculture.

MINISTERIAL STATEMENT: MARCEL EDWARD SPIERO

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

Leave granted.

The Hon. C.J. SUMNER: Yesterday (Tuesday 14 April 1992) I reported to the Council that the Department of Correctional Services had completed its investigation into the escape of Marcel Edward Spiero from Yatala Labour Prison. Following the statement, it was alleged that there was a discrepancy between yesterday's statement and a previous statement that was made by the Minister of Correctional Services on 19 February 1992 on the details surrounding the escape of the prisoner. On 19 February 1992 the Minister of Correctional Services said:

> The Dog Squad was booked for the escort at 4 p.m. on Monday 10 February 1992 and was instructed to be at Yatala Labour Prison at 9 a.m. on 11 February 1992 in readiness for the escort to commence at 9.10 a.m.

On 14 April 1992, I and the Minister of Correctional Services told our prospective Houses:

> Written instructions that a Dog Squad escort was required for the escort of this prisoner were given by a senior officer at the Yatala Labour Prison at approximately 8.15 a.m. on 11 February 1992.

There is no discrepancy between the two statements. The booking for the Dog Squad escort on Monday 10 February 1992 was made by phone by the Movement Control Chief, who then prepared the paperwork for the following day.

The next day, 11 February 1992, at approximately 8.15 a.m. the Manager of Prison Services asked if the Dog Squad had been booked for the escort of the prisoner. When told the booking had been made, the Manager of Prison Services wrote the instruction 'ensure Dog Squad escort' on Spiero's escort form as referred to in my statement to the Council yesterday.

MINISTERIAL STATEMENT: SACON FINANCIAL MANAGEMENT

The Hon. BARBARA WIESE (Minister of Tourism): I seek leave to make a statement.

Leave granted.

The Hon. BARBARA WIESE: This statement is made on behalf of my colleague, the Minister of Housing and Construction, in another place. In the other place last week the Minister of Housing and Construction made a statement in reply to the allegations contained in the *Advertiser* newspaper report of 6 April 1992. It was reported that the Hon. Mr Lucas had claimed wastage of $1.3 million on consultancy expenditure in relation to the computer system in SACON and that he also questioned why a new system, estimated to cost $2.5 million, was being planned so soon after the implementation of the interim system. Yesterday in the Council the Hon. Mr Lucas alleged that the Minister had misled Parliament in that statement. The Minister totally refutes that allegation.

In his statement the Minister indicated that the $1.3 million related to total expenditure on the interim system (FMS), of which $450 000 only was for specialist consultant advice, contract programming and training. In addition, the Minister explained that, due to the necessity to meet information requirements caused by the acceleration of the commerialisation program of SACON, and to address the concerns of the Auditor-General, the program for introducing an integrated information system estimated to cost $2.5 million has been brought forward from 1995. There are no documents within SACON of which the Minister is aware that conflict with the information he has provided, and he has not misled Parliament.

Yesterday the Hon. R.I. Lucas and the members for Bragg and Hayward, in different places, questioned the initial estimated costs for the Financial Management System (FMS) in SACON and referred to a report on this matter. The report entitled 'The SACON FMS project—Analysis of Estimated Costs and Benefits' dated 5 September 1989, did estimate the cost of implementing the new financial management system at $324 000. A further report dated 27 September 1989 revised that estimated cost to $388 000.

As the Minister stated to the House last week, the cost of developing and implementing the new system totalled $1.3 million, which is the total cost of transferring and interfacing computer systems from the ageing Cyber computer at the Government Computing Centre. The significant increase in cost over the initial estimate was due to a change in the scope of the project. The nature of these interfaces in a changing and increasingly commercial environment was particularly complex. Additional development and processing effort together with additional contract programming resources in order to complete the interfaces within the agreed time frame were required.

In response to the honourable member for Bragg's question regarding savings in computer processing costs, the Minister has confirmed that the estimated savings of $210 000 per annum are now being realised. A post-implementation review of the project was conducted and, although at that time the cost savings envisaged had not been realised, he can now confirm that they have. A reduced processing charges agreement has been concluded with State Systems to that effect.

QUESTIONS

CLUB KENO

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Minister representing the Premier a question about Club Keno.

Leave granted.

The Hon. R.I. LUCAS: On 12 February and 9 April this year I asked a series of questions about fraud in the Lotteries Commission-controlled games such as Club Keno. In particular, I asked about fraudulent or unauthorised playing of the game, whether winners at all times received prizes to which they were entitled, and how many cases of fraudulent activity or misappropriation had been reported to the Lotteries Commission. I have now been provided with further disturbing information about deficiencies in Lotteries Commission controls that prevent fraudulent activities being stopped.

I am advised that on 1 September 1989 the General Manager of the Lotteries Commission, Mr L. Fioravanti, asked for a report to be prepared on:

1. The rules of Keno.
2. How to play the game.
3. Keno leaflet.
4. Guidelines for introduction of Keno into clubs.
5. Any pitfalls foreseen.

That report was presented to Mr Fioravanti, and it stated that:

1. The proposed system was open to fraud by operators and that the commission had little control over the detection of such fraud. It also explained that an operator, when checking a ticket could tell a patron that a winning ticket was a losing ticket, and then subsequently cash it himself.

2. It explained the system used at the Casino where the ticket was fed into the machine, the results printed on it, as well as the result being shown on an LED screen.

3. This system would require the commission to replace its terminals and that other games would need to follow the same format. This would have minimised operator fraud and enhance the commission's credibility. The report also stated that:

> If the commission could not implement new terminal purchases then the possibilities of an LED display being attached to the existing terminals should be explored.

This report was presented to Mr Fioravanti but was rejected. I am informed that Mr Fioravanti rejected the recommended controls on two grounds. First, the cost and, secondly, Mr Fioravanti's view that he wanted the game in place as soon as possible. It is now clear the commission was warned up to three years ago about the need to tighten controls against fraud in Club Keno but deliberately chose not to heed the specialist recommendations provided to it. Given the recent allegations of abuse and fraud, this is now obviously a matter of great concern to all people who care about the integrity of the commission-controlled game.

The Hon. T.G. Roberts: The timing is a coincidence.

The Hon. R.I. LUCAS: It is a very important question.

The Hon. T.G. Roberts: The timing is a coincidence.

The Hon. R.I. LUCAS: Is the Hon. Mr Roberts suggesting that it is not important?

The Hon. T.G. Roberts: It has been around for a while. The timing is a coincidence.

The Hon. R.I. LUCAS: It is a very important question. We have only just become aware of this secret report that exists within the Lotteries Commission. Government sources have just revealed it, if I may put it that way. My question is: will the Premier make available a copy of this report, and was the Premier aware of its existence and that the recommendations had been ignored?

The Hon. C.J. SUMNER: I will seek a reply.

JOURNALISTS' SOURCES

The Hon. K.T. GRIFFIN: I seek leave to make an explanation before asking the Attorney-General a question about protecting journalists' sources.

Leave granted.

The Hon. K.T. GRIFFIN: In late March a former Brisbane journalist by the name of Joe Budd, who was giving evidence in a Supreme Court case in Queensland, was gaoled for two weeks for refusing to reveal one of his sources to the Queensland Supreme Court. In the case Budd claimed that information had been given to him by a high ranking public servant but, under cross-examination, he asserted that the ethics of a journalist did not allow him to reveal his sources.

Since the gaoling for contempt, there have been suggestions that the Queensland Government proposes to legislate to allow journalists to refuse to disclose their sources under questioning in the courts. Within a few days of the gaoling of Budd in Queensland, the Australian Press Council issued a press release calling on the Queensland Government to intervene and to lift all sanctions against Budd. The council, through its Chairman, Professor David Flint, called on the Queensland Government to introduce a shield law, as it called it, to protect the public interest in confidential communications between journalists and sources. The press release of the Australian Press Council states in part:

> It is wrong that a journalist be gaoled for following the ethics of his or her profession, ethics which have been established to ensure a free flow of information to the public. The events leading to the establishment of the Fitzgerald commission have clearly demonstrated that journalists acting in the public interest need to be able to protect their sources. The revelations of that commission reinforced that belief. Those sources, whistleblowers who are prepared to reveal impropriety and wrongdoing, need protection so that the public be fully informed of such activities. Journalists in many liberal democracies—for example, those of Sweden, Austria and some States of the United States—are free from the threat of fines or gaol for adhering to the internationally recognised ethical requirement that they must protect confidences. Similarly, Queensland, and indeed all Australian, journalists are entitled to the same protection in the interest of all Australians.

They were observations by Professor David Flint on behalf of the Australian Press Council. Undoubtedly, such a proposal would be accompanied by some vigorous debate as to where the line should be drawn in protecting confidences. For example, in New South Wales, I gather that legislation has recently been enacted to protect confidences imparted to priests in the confessional and ministers of religion. My questions to the Attorney-General are:

1. Has the Attorney-General given any consideration to the protection of journalists' sources as proposed by the Australian Press Council and, if so, with what result?

2. Does the Attorney-General have any plans to protect priests and ministers of religion from having to disclose confidences, as is now the case in New South Wales?

3. Where does the Attorney-General believe the line should be drawn in protecting from disclosure, even in courts, confidential information imparted to persons who hold special positions in our society such as doctors, priests, ministers of religion and journalists?

The Hon. C.J. SUMNER: This is a complex area, and I would prefer to give a considered view about the topic at some later date after discussions have gone on about the matter in the Standing Committee of Attorneys-General. Mr Wells, the Queensland Attorney-General, has made certain proposals about the protection of journalists' sources, although, I must say from what I have read and seen of his proposals, I am not sure that what he is suggesting goes very much beyond what is the existing law in any event. I have given some consideration to this matter. He has asked for the matter to be discussed and has sought the views of his State colleagues on it. I have no doubt that it will be discussed at the standing committee at some point in time.

I certainly do not have any plans to legislate to protect other confidences, such as those which were referred to by the honourable member and which were apparently introduced in New South Wales. In relation to where the line should be drawn, frankly, I believe the decision of the High Court about three years ago probably represents the best view of the situation, that is, that there is a so-called newspaper rule which does protect journalist sources in some circumstances, but it is not a complete protection. The general rule is: where the interests of justice require that those sources be revealed, then the courts require them to be revealed. I find it very difficult to see that journalists

should be able to place themselves above the law in this or in any other respect. If the interests of justice require it, as determined by the courts, then journalists ought to reveal their sources, which is not to say that there ought not to be a zone of protection for them: clearly there should be.

But I do not think anyone in this Council or anyone thinking sensibly about the issue in this country could say that the journalists can have the absolute right to protect their resources. Regrettably, as we know, in some cases the sources may be fabricated by the journalists themselves. Secondly, the journalists might have been so reckless or careless about the source as to lead to a substantial injustice to individuals if that carelessness or recklessness led to individuals in the community being pilloried by the journalists, because they had not taken adequate care to check the sources. We all know that journalists use sources that are unreliable, we all know that journalists pick up rumours in pubs and use them as sources.

Frankly, to suggest that, if there is that sort of malpractice by the fabrication of sources—where there is recklessness or negligence in the collecting of stories from sources—journalists' sources should be protected, then I am afraid I cannot agree with that. I do not see why an individual in this community should be pilloried by the media on the basis of a source which should never have been relied on under any circumstances if the journalists had been doing their job. I believe that the answer to this matter lies with the journalist profession itself. If the media and the journalist professions want more liberal defamation laws (as they do), less restrictions on freedom of speech (which they do), and protection for their sources, then the way to get the general community to discuss that issue sensibly is, first, to ensure that journalists abide by their own code of ethics. The reality is that in many instances they do not. While they do not abide by and continue to breach their code of ethics there will be little enthusiasm for dealing with the issues that I have outlined.

Regrettably, we know that journalists regularly break that code of ethics. If the AJA or some other body were able to ensure enforcing of the code of ethics—and that would mean that the journalists concerned would have to check their sources adequately—then I think there is a case for law reform in this area. At present that does not happen. If any attempt is made to suggest that journalists should comply with their code of ethics, the media and journalists resist it. They fight it tooth and nail because they know, as a matter of practice, that in many instances they do not comply with their code of ethics and they do not want to be bound by it legislatively or through the AJA.

In any democratic community which has any sense of fair play or justice there cannot be an absolute rule which protects journalists' sources. There has to be a zone of protection, and I think that is fair enough. The pronunciation on the matter in the High Court about three years ago, which said that there is a newspaper rule but that if the interests of justice require the journalists to reveal their sources then they should reveal them, is not a bad starting point for the law. If we want to frame a law like that and incorporate it in legislation, that is probably a reasonable position to look at.

I am not sure that Mr Wells' proposals go much further than that, anyhow. If they do, they can be examined. It is not possible to answer the honourable member's question with any precision, because I am not sure what Mr Wells' proposals are. Undoubtedly in this debate there will have to be some defining of the issues and of the lines. At one end, the protection of journalists' sources is important in a number of areas for investigative journalists, although the Government has already agreed to prepare and introduce whistle-blower legislation which would provide protection for whistleblowers in any event. There is a zone of protection which should be available to journalists, but it cannot be an absolute protection for the reasons that I have outlined. If there were an absolute protection there would be the potential for great injustice to be done to citizens in our community.

TRANSIT POLICE

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Minister representing the Minister of Transport a question about the powers of STA transit police.

Leave granted.

The Hon. DIANA LAIDLAW: I refer to a letter that I have received from a mature-age student headed 'Where is justice?' which outlines the gentleman's humiliating and frightening encounter with transit police officers following a recent train trip to Glanville. The letter reads:

I was a passenger on the 9.13 p.m. train from Adelaide to Glanville on Saturday 28 March 1992. I was approached by an STA official inspector before reaching Brompton. I showed the inspector my valid ticket. My companion did not have one and offered to purchase a ticket but was told this was not possible. He was asked by the inspector but refused to show his identification, and there was an ensuing verbal altercation. The transit police were called (Brompton), and we were informed that they would meet the train before we got to Glanville.

The opportunity existed to leave the train before waiting to confront the transit police, but this alternative was not considered at the time; only after subsequent events had taken place did this occur to me. I was a member of the general public who had made use of the public transport system and had presented my valid ticket on demand. I had committed no offence.

On our arrival at Ethelton, two members of the transit police were at the station. My companion was asked by the ticket inspector to produce his identification again. I had advised my companion to comply several times with the demands to produce his identification, and once he had refused this final demand, I felt that I could not assist further and decided to walk home, a distance of about 2 kilometres.

As I was leaving the Ethelton station by the north-west exit, I was manhandled and restrained by the two transit officers without any verbal warning. I felt genuinely intimidated and that I had to assert my innocence. Unbeknown to me, my companion from the train had followed me off and joined the transit police and myself. Once relationships and circumstances had been established, we were allowed to leave the station. My companion and I walked from Ethelton station to the corner of Sutherland Street and Castle Street on the northern side of Hart Street in Glanville, and parted company.

We had been followed at a distance of about 10 metres by the two transit police and two inspectors from the train. The transit police followed me and in Mellor Street, Glanville, approached me and told me that I was under arrest. I was handcuffed, and in less than two minutes a paddy-wagon arrived. I was handed over to the non-transit police, and put in the back of the vehicle. One transit officer accompanied me, and the other went to get their vehicle. The whereabouts of the two railway inspectors was unknown to me.

We proceeded to Causeway Road, Glanville, where my companion from the train was approached and asked to produce his identification, which he did. He was allowed to go. I was taken to Port Adelaide Police Station just after 10 p.m. on Saturday 28 March 1992, where I went through a humiliating procedure for arrest. I made a detailed two hour statement to the police beginning at about 1 a.m. on Sunday morning and was released on bail at 3 a.m. The charges laid against me are:

1. Resisting arrest.
2. Assaulting police.
3. Refusing information.

I would indicate that the gentleman who has written to me has provided me with his name, address and telephone number. He concludes his letter by stating:

This is all particularly upsetting to me, as I had no police record to this date.

I repeat that this gentleman had paid for his ticket, had it validated and produced it upon request. Therefore, I ask the Minister:

1. Do STA transit police officers have the power to arrest and handcuff an individual on the streets?

2. What guidelines, if any, are provided to ticket inspectors, now called field supervisors, in terms of their powers to pursue an individual who has paid for a ticket, validated their ticket, produced that ticket when asked to do so, and committed no offence when travelling on public transport or on STA land?

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

STANDING COMMITTEES

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking you, Mr President, a question in relation to protection of public servant witnesses before standing committees.

Leave granted.

The Hon. M.J. ELLIOTT: This session of the South Australian Parliament has seen a new system of standing committees established to review, among other things, Government policy and decisions and inquire into issues of importance. It is obvious that these committees may, in the future, inquire into matters which may sometimes be embarrassing to the Government of the day and in such circumstances many of the witnesses who will provide information may come from within the Public Service. We have in South Australia a Government Management and Employment Act, section 67 *(h)* of which refers to an employee being liable to face disciplinary action if the employee discloses information gained in the employee's official capacity or comments on any matter or business affecting the Public Service, except as authorised under the regulations. Regulation 117 of 1986 21(1) *(c)* (i) provides:

> If the disclosure or comment is of such a nature or made in such circumstances as to create no reasonably foreseeable possibility of prejudice to the Government in the conduct of its policies . . .

Material could be provided to standing committees by public servants which may, by the nature of the inquiry being conducted by the committee, prove to be prejudicial in that it may expose corrupt or irresponsible decisions. Without public servants being granted immunity from the GME Act when providing evidence, the effect of the standing committee system could be greatly curtailed. In fact, I suspect that there is some protection there. I ask the following questions:

1. Are public servants providing information to standing committees of the South Australian Parliament to be provided with immunity from disciplinary action under the GME Act in order for them to raise evidence which may be of an embarrassing nature to the Government?

2. Do the circumstances change if the public servants initiate the contact, rather than being called as witnesses?

3. Are there any protections to ensure that the employees' future promotion prospects are not impaired by the fact that they have given evidence?

The PRESIDENT: My understanding in the past is that all public servants who have appeared before select committees and standing committees of the Parliament have been protected. There has never been a problem in the past. However, what the honourable member has raised is very relevant to the new committees that have been formed, and the questions he has posed could contravene, although I do not see how because, in my view, Parliament is supreme: it has the right to do what it likes and call anybody before it that it likes. I am quite happy to take up this issue with the Speaker of the other House and consider where we should go from there.

The Hon. C.J. Sumner: Get some advice on it.

The PRESIDENT: Get some advice, yes, and take it up with the Speaker of the other House. The Attorney-General, in his previous reply, mentioned that there was to be whistle-blower legislation or something like that. Whether or not that issue should be included in that sort of legislation, I do not know. My view is that if Parliament is to be fettered in the committees it has, there would be a problem.

INDEPENDENT INQUIRIES

The Hon. L.H. DAVIS: I seek leave to make an explanation before asking the Attorney-General a question about independent inquiries.

Leave granted.

The Hon. L.H. DAVIS: On 10 February 1991 the Bannon Government announced a $997 million bale out of the State Bank of South Australia, and just two days later on 12 February, Premier Bannon announced a royal commission to investigate the State Bank debt crisis. Just three weeks later, on 4 March, the Premier announced detailed terms of reference for the State Bank Royal Commission. This makes an interesting contrast with the present controversy concerning the Minister of Tourism, the Hon. Barbara Wiese.

On Thursday 19 March, four weeks ago, the Opposition in both Houses called for an immediate investigation into serious allegations over possible conflict of interest involving the Tourism Minister. This conflict centred on the introduction of poker machines in South Australia, the Hon. Ms Wiese's involvement with poker machine legislation and Mr Stitt's interest as a lobbyist for groups seeking the introduction of poker machines. The Opposition also called for the Minister of Tourism to stand aside pending an inquiry. In Parliament, the Premier, Mr Bannon, did not rule out an inquiry but said that it would be unreasonable to launch an investigation until he had properly considered the matter.

But by Sunday 22 March the Premier was on record as saying that he had even less reason than he had a few days earlier to call for an inquiry. By week two, the Attorney-General, the Hon. Chris Sumner, was conducting a review of financial documents which were to be handed to him by the Liberal Party, and that was done on Thursday 26 March. The Tourism Minister claimed that she had collected documents on Monday 23 March and handed them over to the Attorney-General to review.

Interestingly, the Liberal Party subsequently produced at least one vital document which the Minister claimed she knew nothing about. By 25 March the Attorney-General said that he would consider an independent investigation. But today it is four weeks since the serious allegations were first raised. It is only a few days ago that the Government finally conceded that it would hold an independent inquiry after the Minister of Tourism said that she wanted an independent inquiry to be held.

Although the serious allegations about the conflict of interest situation spread from gambling machines to the Tandanya project on Kangaroo Island and to the Glenelg ferry project, the Government has been extraordinarily slow to react to the seriousness of the allegations. The South Australian community could be forgiven for thinking that this Government hoped to cover up the extraordinary allegations by stalling for time, and when that failed has engaged on a cynical exercise of damage control so that the terms of the independent inquiry will be announced to coincide with the arrival of the Easter Bunny. Despite repeated calls

by the Opposition, why has it taken the Bannon Government four weeks to get round to establishing an independent inquiry, the terms of reference of which have yet to be announced, when it took only three weeks to establish terms of reference for a royal commission into the State Bank of South Australia?

The Hon. C.J. SUMNER: The two situations are not comparable. The fact of the matter is that when the Premier made his announcements about the State Bank and then shortly after that announced that there would be a royal commission, most of the facts and details relating to the State Bank were known to the Government at the time that that statement was made. In this case there was one set of allegations made, as I recall it, during one week late on a Thursday. The next week there were more allegations made and questions asked, and I was asked to review the documents relating to the gaming machines matter and also undertook, at the request of the Hon. Mr Gilfillan, to consider whether there was a need for an independent inquiry, and I agreed to do that.

Then the next week there were a whole new set of so-called allegations relating to Tandanya and then to the Glenelg foreshore development. As I think I said earlier, the situation changed as we were proceeding through this saga. What I was asked to do the first week was to look at the matter relating to the gaming machines issue and the documents that had been produced by members on that topic. Subsequently, other matters were raised, and I had to consider those as well. In fairness, the Hon. Mr Gilfillan asked me a question as to whether I thought that I could complete my review by yesterday in order for the Council to debate today the motion relating to an independent inquiry, and I said that I thought I could, and I was proceeding towards that deadline.

As members know, because this matter continued, the Minister of Tourism announced on the weekend that she wanted an independent inquiry to clear her name, and we are at present in the process of setting that up. I expect that to be formalised shortly and an announcement to be made.

THEBARTON COUNCIL

The Hon. J.C. IRWIN: I seek leave to make a brief explanation before asking the Minister for Local Government Relations a question about conflict of interest.

Leave granted.

The Hon. J.C. IRWIN: On 25 March I asked a question of the Minister relating to a possible conflict of interest concerning the Thebarton council. I think the matter was raised with the Minister through the Attorney-General by two councillors in a letter dated 3 March. The Minister's letter of advice to the two councillors was dated 19 March, which was a Thursday, and was not received by them until Monday 23 March. It is unfortunate that between the letter to the Minister dated 3 March and the date of the Minister's reply (19 March) the statute of limitations took effect, and this occurred I understand on 16 March.

I have received advice that both Crown Law and private legal opinion agree that there was a conflict of interest. My question to the Minister is of a general nature. If Crown Law advice is positive as to a matter of conflict, is the Minister bound to take action for a breach of the Act or is it always a matter for others as individuals to take court action? Can the Minister confirm that her office did not hold up the letter to the two Thebarton councillors past that 16 March statute of limitations date?

The Hon. ANNE LEVY: I can certainly confirm that there was no hold up by my office; that as soon as I became aware of the matter under consideration I asked for advice. The fact that I received the advice and was able to send a letter to the individuals concerned only 16 days after their letter was sent indicates enormous speed and—

The Hon. Peter Dunn: Sixteen days?

The Hon. ANNE LEVY: Well, that was considering that it had to go to a whole lot of different departments and was written on 3 March. I do not know when it was received by the Attorney-General's Department. From the Attorney-General's Department it had to come to my office, and I had to seek advice. As soon as the advice was received, I wrote my letter of 23 March. There can be no suggestion whatsoever that there was any undue delay. The matter was marked 'urgent' and treated as such by me and all my officers. I can assure members that advice frequently takes longer than that to obtain.

With regard to the honourable member's first question as to what is done if advice is received that there is a conflict of interest, it does depend on what the advice is. I understand that in the past there has been advice that a particular matter did involve a conflict of interest but that it was so trivial that it was not worth pursuing. In those circumstances, the matter is not pursued. Judgment must be used as to whether any conflict of interest is, in fact, a trivial or minor technical matter or a serious matter, which will then be taken up.

I cannot give a blanket answer to the effect that action will always be taken if advice is received that there has been a conflict of interest, but I can assure the honourable member that, wherever there is any suggestion of a serious conflict of interest or a conflict of interest that is other than the most minor or trivial, the appropriate action would be taken. My response in this case did point out to the individuals concerned that they and any citizens are always able to take civil action themselves if they feel it is warranted, particularly if they have sought legal advice and that legal advice suggests that such a civil action is likely to succeed. But that is a matter for the individuals concerned. My advice was that there had been no conflict of interest, so the question of whether or not I should take action is irrelevant.

SMALL BUSINESS

The Hon. I. GILFILLAN: I seek leave to make an explanation before asking the Minister of Small Business a question about State taxes and charges.

Leave granted.

The Hon. I. GILFILLAN: South Australia's small business sector has fought hard to survive the impact of the recession, but even Premier Bannon has predicted that this State will be slower to come out of the recession than other States. Figures released less than a week ago by the Australian Bureau of Statistics paint a continuing gloomy picture for the South Australian economy. State unemployment is currently 11.4 per cent, with the teenage jobless rate for 15 to 19 year olds at a shocking 38 per cent. More than 80 000 South Australians are without work and the job market continues to shrink.

A new business survey released today by the National Australia Bank shows that 25 per cent of companies still expect major job cuts to continue throughout the remainder of the year. The survey found that all sectors of business and industry experienced a continuing drop in employee numbers throughout the March quarter and said that trading and profitability conditions remain poor. In addition to this poor showing the survey also found that most companies were not convinced that low inflation rates would continue,

with 65 per cent of firms believing that maintaining inflation at less than 4 per cent a year was not possible for the remainder of the 1990s.

The survey found that on average most companies were operating at only approximately 76 per cent capacity because of poor sales. According to another major business sector report released earlier this week by Dun and Bradstreet, business optimism has stalled, with most companies expecting no improvement in sales and a continuing slump in profits. The report also concluded that any improvements in profits in the key wholesaling and retailing sectors were now unlikely.

Small business retailers in South Australia are struggling in a climate of economic stagnation and are concerned about possible increases in State taxes and charges in the coming budget. Traditionally, the State Government has often tied increases in State taxes and charges to CPI, which in recent years has been running high. In some cases charges have jumped by as much as 250 per cent, such as last year's increase in financial institutions duty (FID), which sent a crippling body blow to many small business operators.

Small business operators are concerned that they will be forced to carry much of the cost of bailing out the State Bank, and now the SGIC, with a round of new increases in State taxes and charges in the coming budget. For many this could prove to be the last straw in their struggle to survive. My questions to the Minister, bearing in mind how critical small business is to prosperity and job opportunities in South Australia, are as follows:

1. Can the Minister assure small business people in South Australia that increases in taxes and charges as they impact on small business will be kept below the CPI this year in the budget, in recognition of support for their survival?

2. What are the Minister's predictions for growth in South Australia's small business sector in the next financial year?

3. What extra support, beyond that which already exists, can small business expect from the State Government in the next financial year?

The Hon. BARBARA WIESE: I am sure that the honourable member will be aware that preparations for the forthcoming financial year's budget are currently at a very preliminary stage, and no decisions at all have been made about any matters that would impact upon small business in South Australia, in either a positive or a negative way. As I say, we are at a very preliminary stage of discussion on how the next State budget might shape up. However, I can say that I (as Minister responsible for small business) and my colleagues in the Cabinet are very well aware of the current economic circumstances and the very adverse impacts that have emerged for many small businesses in our State during the recession, and we wish to frame a budget that would not add to the burden that is already being suffered by people in that sector of our economy.

The honourable member will recall that, when the last budget was framed by the Government, numerous measures were taken to try to cushion the impact on small business in our State during this current financial year. There were some reductions in charges and tax rates, specifically, bearing in mind the impact that increases otherwise would have had upon small business. In other cases, the rates of taxes or the charges applying were kept at a standstill. Over these past few years we have tried, wherever possible, to protect small business in the decisions that have been taken by the Government in framing successive budgets.

The same sorts of principles will be applied in the lead up to this current budget. If at all possible, the Government will be aiming not to add any further to the burden of small business in the current economic climate. I am not in a position at this stage to give any guarantees as to what might emerge from the budget process, for the reasons that I have already outlined, nor am I in a position to indicate to the honourable member what additional support might come from the budget process. It is much too early for those decisions to be taken, and we will need to wait and see what the budget presents. I can assure the honourable member that the Government is mindful of the needs of small business in the current climate and we will attempt to frame a budget which is as sympathetic to their needs as it can be.

The Hon. I. GILFILLAN: Does the Minister recognise the substantial impact that State taxes and charges are currently having on small business and, if she does, can she not give an assurance that small business can look forward to a relief from the impact of taxes and charges?

The Hon. BARBARA WIESE: I think that the honourable member is being a little unrealistic in asking me to provide such assurances.

The Hon. I. Gilfillan: Do you recognise the impact?

The Hon. BARBARA WIESE: I have already indicated, Sir, that the Government recognises the impact that taxes and charges have on business within our community. I have indicated that, because we have that high level of recognition of these matters, we have attempted in the past to frame budgets to include measures that will either provide assistance or not add to the burden of the people in the small business sector. There are numerous existing taxes and charges that we would rather not have at all and the honourable member would be aware of the negotiations that have taken place in recent times at Premiers' conferences on matters relating to the national share of the tax cake, the collection and distribution of taxation, and the idea of trying to reorder the taxation imposts that exist within Australia in order that State Governments might be relieved of having to raise revenue in areas which are known by all to be revenue raising measures that provide some form of disincentive for business to operate profitably.

These things have been on the national agenda for some time. Negotiations are continuing on those matters, but the honourable member must recognise, as the Government recognises, that it is very difficult to withdraw from some of these key areas of taxation in the absence of some other form of revenue being found to replace the revenue that is raised through these measures, otherwise we will not be in a position to continue to fund schools, hospitals, and all the other services that the community demands.

So, Sir, it is not an easy matter, but over time the Government has taken measures that would reduce the impact on small business wherever possible. There has been, for example, a reduction in electricity charges, there have been reductions in land tax and, over a period, there have been adjustments and reductions in payroll tax, so that the Government is doing as much as it can within its limited capacity to be able to assist people in the business community. However, in the absence of an extensive national redistribution of taxation, it will be very difficult for State Governments to proceed much beyond the measures that have already been taken.

MENTALLY DISABLED

The Hon. BERNICE PFITZNER: I seek leave to make a brief explanation before asking the Minister representing the Minister of Health a question about accommodation for the mentally disabled.

Leave granted.

The Hon. BERNICE PFITZNER: We are told by experts that the better method for treatment and accommodation

for mentally disabled people is not in institutions but, rather, in individual units, as with the rest of the community. Whilst we would heed the experts' recommendations, certain incidents have come to light which give cause for concern. I understand that the clients or patients from Hillcrest Hospital and other institutions catering for the mentally disabled have been relocated into not a few South Australian Housing Trust homes as well as in private accommodation. I hear that some of the trust homes have been misused, such as faeces being smeared on the walls, mummified cats under the tables, patients climbing over back fences, frightening pensioners in their own backyards and aimless wanderings around the parklands.

I am not pointing the finger at these people who are mentally disabled, but I am pointing my finger at the Government, which is irresponsible in its unseemly haste, pushing these clients and patients out of Hillcrest, wanting to sell the land and not providing a proper caring infrastructure for these mentally disabled persons. My questions are:

1. How many clients and patients have been relocated to private or trust accommodation?

2. What is the infrastructure in place to look after their well-being, for example, visits to outpatients for checks and further medication, the regular taking of medication, housekeeping monitoring, general living education, and contacts in emergency situations?

3. What will be the final figures for the relocation of all the mentally disabled from Hillcrest and other institutions catering for the mentally disabled?

4. What will be the final costings to implement an adequate structure to support these people?

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

HOUSING TRUST ACCOMMODATION

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Minister representing the Minister of Housing and Construction a question about the Housing Trust.

Leave granted.

The Hon. J.F. STEFANI: The South Australian Housing Trust evacuated its Angas Street office building in 1989 and moved to leased offices at Riverside. My questions to the Minister are:

1. What is the total amount paid to date by the Housing Trust for leasing the premises at Riverside?

2. What is the total amount paid to date by the Housing Trust for holding the old empty office building at Angas Street?

3. Can the Minister advise whether the Government has finalised the sale or the development of the Angas Street site?

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

ROSEWORTHY AGRICULTURAL COLLEGE

The Hon. PETER DUNN: I understand that the Minister for the Arts and Cultural Heritage has an answer to a question that I asked on 18 March about the Roseworthy Agricultural College.

The Hon. ANNE LEVY: I seek leave to have the reply inserted in *Hansard* without my reading it.

Leave granted.

The Minister of Employment and Further Education has provided the following responses:

1. The farming activities of the Roseworthy campus are carried out by the Rural Services Department, Roseworthy campus. The department will use the farm as a resource for teaching and research with the costs offset by commercial production. The nature of the teaching on the farm will continue to change as it has over the past 13 years.

2. Associate Diploma courses are offered in at least two faculties of the University of Adelaide. The Faculty of Agricultural and Natural Resources Sciences currently offers four Associate Diplomas in Agriculture Production, Farm Management, Horse Husbandry and Management and Wine Marketing. There is currently a proposal before the committees of the faculty to phase out the Associate Diploma in Farm Management and to replace the program with a Farm Management stream in a new degree, Bachelor of Agricultural Business. This move is being recommended on the basis that the TAFE programs provide for the associate diploma level of farm management training.

It is also fair to comment that some students with prior practical experience enter either the Bachelor of Applied Science (Agriculture) or the Associate Diploma in Applied Science (Agriculture Production), and then return to on-farm employment.

3. The Faculty of Agricultural and Natural Resource Sciences currently offers 20 courses (undergraduate and graduate) and the teaching for these courses will be provided at the Waite, Roseworthy and North Terrace campuses.

During 1992, the following courses will have most of their program at the Roseworthy campus:

Graduate Diploma in Agriculture
Bachelor of Applied Science (Agriculture)
Bachelor of Applied Science (Natural Resource Management)
Associate Diploma in Agriculture Production
Associate Diploma in Farm Management
Associate Diploma in Horse Husbandry and Management
Associate Diploma in Wine Marketing.

The courses in oenology and viticulture are in a state of transition with the first year being presented at North Terrace as a major in the Bachelor of Agricultural Science. The current students in the second and third year of the Bachelor of Applied Science (Wine Sciences) will complete their studies at Roseworthy campus.

It must be pointed out that the oenology and viticulture majors of the Bachelor of Agricultural Science will cover some of their course work at the Roseworthy campus but will be based at the Waite campus. Also, it is reported that in 1992, honours years have been introduced and the post-graduate students now include candidates for Masters and Ph.D. degrees.

There are proposals for new course offerings on this campus, In particular the Department of Business and Extension has submitted a program for a Bachelor of Agriculture Business to the faculty.

4. Off-campus practical training occurs at present for the Bachelor of Applied Science (Agriculture) and the Associate Diploma in Applied Science (Agriculture Production). The property owners or managers are advised that if the students are remunerated by the employer the employer is legally required to have WorkCover. If there is no remuneration, the students are covered by a student accident policy, taken out by all students of the university, through their student union fees.

MFP DEVELOPMENT BILL

Consideration in Committee of the House of Assembly's amendments.

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

That the Legislative Council do not insist on its amendments Nos. 1 to 10, 14 to 21, 28, 29, 31, 33 to 35 and 39, to which the House of Assembly had disagreed.

The Hon. R.I. LUCAS: I do not intend to take up the time of the Council in further debate on this matter. We have had significant debate. Suffice to say that the House of Assembly has agreed to some of the amendments that the majority in the Legislative Council moved when we last debated this matter in Committee. It is my view that the Legislative Council ought to insist upon its remaining amendments. The ultimate result of that is that we seek to resolve the difference of opinion between the Houses at a conference of the two Houses.

The Hon. I. GILFILLAN: The Democrats have no enthusiasm for acceding to the demands of the Lower House, the House of Assembly. The amendments were well thought through here and, under those circumstances, we intend to oppose the motion moved by the Attorney and look forward to representing our views strongly in whatever forums deal with them in the future.

The Hon. M.J. ELLIOTT: The Democrats tried to move many amendments, and I understand why the Government was opposed to them, but I do not agree with it. The amendments we are dealing with are simply about accountability. I am stunned that the Government has sent these amendments back to this Council. Frankly, the Government—this Government in particular—trying to argue against accountability in any public forum is an argument that it would clearly lose. Why the Government is now forcing us to have a conference on matters which it would lose any debate about—

The Hon. I. Gilfillan: Behind closed doors.

The Hon. M.J. ELLIOTT: Behind closed doors, yes. It is an argument that the Government would not win in a public arena. I am surprised that the Government should choose to do so, given that these amendments are about accountability and responsibility.

Motion negatived.

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

That the suggested amendment be not insisted upon.

Motion negatived.

A message was sent to the House of Assembly requesting a conference at which the Legislative Council would be represented by the Hons M.J. Elliott, K.T. Griffin, R.I. Lucas, T.G. Roberts and C.J. Sumner.

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

That the sittings of the Council be not suspended during the conference of managers on the Bill.

Motion carried.

CLASSIFICATION OF PUBLICATIONS (DISPLAY OF INDECENT MATTER) AMENDMENT BILL

The Hon. BERNICE PFITZNER obtained leave and introduced a Bill for an Act to amend the Classification of Publications Act 1974. Read a first time.

The Hon. BERNICE PFITZNER: I move:

That this Bill be now read a second time.

The outcry of the community against the picture of a naked woman posing as a dog on a chain was seen as a demeaning image—and, in this instance, against women. It could be equally so with men. But it is sad to observe that, in this day and age, the demeaning image of a woman sells magazines.

As a medical practitioner, one views the nude or naked body in a clinical sense. One checks the body for lumps, muscle movement and blood pressure. Occasionally, when one is confronted with a body that is well-developed and healthy—which is not often—in a doctor's surgery, one admires that it is so fit and healthy. So, to me, adding the connotation of indecent, offensive and demeaning is an aspect that does not come at the initial impact. But with comments from associates and the community, one is made aware that such feelings are noted by many people at first impact. As Shakespeare once wrote 'Nothing is good or bad, except thinking makes it so.'

But, yes, there are definitely these images, as the Classification of Publications Board of South Australia notes in its guidelines, and these include: pictorial depiction of sexual acts or poses which are overtly sexual or which imply sexual activity; and demeaning sexual images or poses. The issue is complex, confused and complicated. The complexity of the issue arises out of the tolerance level of a person. When does an image which is *avant garde* and bold become indecent and offensive. This level of tolerance is built into a person through education, culture, religion and the general standards that are present within one's own peer groups. For example, with the particular woman on a dog's chain, almost all women were not able to tolerate the picture as being innocent, and about 50 per cent of men saw the picture as being innocent. So, there must be some validity to the feeling for the majority of women to object to such a demeaning image.

This is understandable, because women now, and in the future, are constantly fighting for a place of acknowledgment. Anything that puts that fight on the back foot, so to speak, is seen as a backward step. So, although that particular image did not outrage but irritated me from the outset, I see clearly the long-term implications of such a picture, especially for men who may subconsciously condone such material. It makes one irritated, especially when one notes that it is women who take the lead on issues of paramount importance, such as the environment.

Recently, a group of concerned women met at the World Women's Congress for a Healthy Planet. There were 1 500 women from 83 countries. The women came from Governments, environmental groups, developing groups, religious groups, grass roots groups, universities and media.

There were women from Africa. They must be acknowledged and saluted as women who face severe hardship and continual struggle to sustain all forms of life. Their capacity is being eroded by under-nourishment and malnutrition, by high rates of illiteracy, by internal conflict and wars and by the collapse of health delivery.

There were also European women at the conference. They challenged development as the concept of economic growth and looked instead to a sustained livelihood in which our environmental, social, cultural health and well-being are the goals. They acknowledged the northern wasteful, polluting, resource-intensive, mass consumption lifestyle, which is leading to the unsustainable damage to the ecosystems and a falling quality of life for all.

Middle Eastern women were also there. They recognised the environmental dangers emanated by the Gulf war. They urged for disarmament in their region and asked that funds allocated for armaments be directed to human resource development, food security and appropriate scientific and technological knowledge that would lead to sustainable development.

At the conference there were also Pacific Region women. They talked of the negative impact on and exploitation of women as a result of militarism, the high incidence of prostitution, the spread of AIDS, the loss of land, disruption of homes, rape, violence and sexual harassment. In particular, on a section on violence against women and nature and women's health, they recommended that steps by taken to ensure:

1. Appropriate legislation be passed designating violence against women and children a crime with attendant criminal penalties.
2. Member States ratify and implement the UN Convention on the Elimination of All Forms of Discrimination Against Women.

The congress was a thrilling event. Women Cabinet Ministers from Scandinavia and Africa rubbed shoulders with tribal women from the threatened rain forests of Latin America. And, as an activist urged, 'Cry out—don't be polite!' The tolerance level of those women would be very low to such demeaning images as we have seen. So, from the exciting encouragement of these women, our women here have cried out and we must take notice.

This issue, although on the surface it appears small, is possibly a symptom of a society that might not regard its women on equal terms. It is therefore important that we combat such a possible threat.

The confusion surrounding this issue arises from the numerous pieces of legislation touching upon this issue. We have the Federal body of classification of publications that classifies all publications nationally. However, this is only a voluntary activity on the part of the publishers. We also have a State body of classification. Although the different classifications are similar, the conditions pertaining to the classifications are different for different States. The classifications of publications are:

1. Unrestricted—where a publication is not likely to be offensive to reasonable adult persons and is not unsuitable for perusal or viewing by minors.
2. Restricted—deals with prescribed matters in a manner that is likely to cause offence to reasonable adult persons;
or
is unsuitable for perusal or viewing by minors.

The restricted publications can be further broken up into category 1 and category 2, category 1 being the lighter offence of the two. The third classification is:

Refused—or refrain from assigning a classification deals with prescribed matters, which would so offend against the standards of morality, decency and propriety generally accepted by reasonable adult persons.

These classifications are applied to both State and Federal bodies. However, each State is now looking at the conditions applying to these classifications, in particular, to restricted publications.

In Queensland the conditions applying to restricted categories 1 and 2 and refused classifications are named 'prohibited publications', which means that a person must not advertise, sell or distribute the publication in the State. It is a total ban on all publications in this classification.

In Western Australia, a member of Parliament, Mr Tubby, has initiated a private member's Bill regarding the protection of children from indecent material. This Bill is more relevant to our State Summary Offences Act, section 33, relating to the publication of indecent matter.

In New South Wales, a member of Parliament, Dr Goldsmith, is looking into a similar Bill as proposed in Western Australia and is meeting difficulty with the definitions of 'indecent material' and 'offensive material'.

In South Australia I believe we are most fortunate with our legislation. We have the Summary Offences Act, section 33, which deals with more 'hard core' pornography-type matters. The Classification of Publications Act deals with what I call the softer grey areas. That is why it is a difficult area, and I must congratulate the Classification of Publications Board of South Australia on devising a set of guidelines for publishers. These guidelines are for covers of magazines and banner posters advertising magazines in which the board states that the covers of posters contain—

1. gratuitious, relished or explicit depictions of violence;
2. offensive or assaultive language;
3. pictorial depictions of sexual acts or poses which are overtly sexual or which imply sexual activity;
4. demeaning sexual images or poses.

These guidelines are more vigorous because they are in prominent public positions such as newsagents, delicatessens and petrol stations. The board has stated that if the magazines exhibit these four statements, they will be classified as category 2, whatever the nature of the contents of the magazine. This area is particularly difficult because we must have regard for the entitlement of adults to read and review what they wish and the entitlement of people to be protected form exposure to unsolicited material which they find offensive.

Having regard to the fact that this State has adequate and good legislation, it only needs a small adjustment to overcome the visual affront that many people feel towards this type of indecent material. This adjustment is to visually obscure this indecent material by means of opaque sealed packages or by putting the magazines in special racks that would obscure the indecent pictorial material. This will be for restricted publications category 1. At present, these restricted publications category I are placed in only transparent, sealed packages.

Restricted category 2 is catered for, as they are placed in restricted publications areas such as adult book shops. This amendment will not totally fix the issue, as the issue is complicated. Its complication arises from the voluntary nature of the publications to be classified. It is reported that there are numerous publications which are not classified but which need to be. That is a whole area to be addressed, and I believe a code of ethics is being devised by the Federal Government, which might address the issue. In the meantime, I believe that this contribution is a step in the right direction.

I urge my colleagues to support the Bill, and I seek leave to have incorporated in *Hansard* without my reading it the explanation of the technical provisions of the Bill.

Leave granted.

Explanation of Bill

Clause 1 is formal.

Clause 2 provides for the commencement of the measure.

Clause 3 amends section 14a of the Act in relation to the conditions that are to apply to the display of category 1 restricted publications. The Act presently provides that such publications must be displayed in a sealed package (unless displayed in a restricted publications area). The amendment will require such publications either to be displayed in racks or other receptacles that prevent the display of any prescribed matter, or in opaque material (that does not depict any prescribed matter). 'Prescribed matter' is defined to mean prescribed matter under section 13 of the Act, being matter (detailed in section 13) that results in a publication being classified under the Act.

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

MOUNT LOFTY RANGES

Adjourned debate on motion of Hon. Diana Laidlaw:

That this Council calls on the Environment, Resources and Development Committee, as a matter of urgency, to investigate and report on the number of property owners suffering losses arising from the Mount Lofty Ranges management plan and supplementary development plan; the nature and extent of losses; the options available for redeeming losses; and the alternative technologies available to minimise disruption to land owners resulting from the management plan and the supplementary development plan.

(Continued from 8 April. Page 3993.)

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

To amend the motion by striking out the words 'as a matter of urgency' and 'number of property owners suffering losses arising from the' and all words after 'Mount Lofty Ranges management plan and supplementary development plan'.

The effect of the amendment is to broaden the scope of the request of this motion and not to deny the content of it. The Mount Lofty Ranges review, which was carried out over a four year period or thereabouts and which cost about $4.5 million, is potentially one of the most significant things that has happened in South Australia for quite some time.

It is a move which seeks to reconcile a number of rather difficult areas. It seeks to balance and protect the water supply for Adelaide, with a significant amount of Adelaide's water coming out of the Mount Lofty Ranges catchment. I think it averages at around 60 per cent at a value of about $100 million a year. It seeks eventually to protect farmers in the Mount Lofty Ranges so that farming will continue in the long term. It also seeks to protect the environment generally.

One can see that attempts to reconcile those three matters are not easy to do, and there are areas of potential conflict. While the Government has released the Mount Lofty Ranges management plan, at this stage the one positive action has been the release of the supplementary development plan, which came out at the same time and which also led to some legislation before this Parliament in relation to transferable title rights. I will come to that matter, as it is the content of the motion as originally moved.

The question of transferable title rights is a significant one, which the Democrats support in broad principle. We believe that, particularly for a Government which is very short on dollars, it is one way of getting the money to compensate for the loss of development rights in some parts of the ranges. The money comes from persons who will be involved in development elsewhere. At its very general basis, that concept, I think most people would agree, is a good thing. We find that groups as diverse as conservation groups and the United Farmers and Stockowners support the general principle, and the arguments are somewhat resolving—

The Hon. Diana Laidlaw: Have you seen what the UF&S has sent in in the past couple of days?

The Hon. M.J. ELLIOTT: Yes, I have spoken with them on several occasions in the past couple of days, too.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: Yes, in fact only about three hours ago. Therefore, there is general in principle support for that, and we will discuss that matter in more detail in relation to some other legislation that is also before the Parliament.

In relation to the question of transferable title rights, issues have been raised as to who are the winners and who are the losers, how much will be lost and how much will be won, whether the system will work and whether it could have been done better. However, although it is not an unimportant one, that is only one of the questions about the whole Mount Lofty Ranges review.

There are important questions about how we go about changing farm practice. The review quite plainly acknowledges that farm practice will have to change. There is ample evidence that farmers produce the greatest amount of contamination of the water system in the Mount Lofty Ranges, but nobody is suggesting—and I certainly would never suggest—that farmers should be removed. However, there is no doubt that there will be a need for a change of farm practice. It then starts to raise a series of other questions about what are appropriate changes, how we go about achieving them, and, if there is a loss in land value as a consequence of that, whether there is compensation and, if so, how that should be derived? There are questions as to whether we must abide by the recommendations of the SDP that townships may spread no further. Some people have tried to argue that township spread is not a problem. That is not a view that I hold, but it is being argued and is a question that must be looked at.

I suppose I am making the point that the issues become complex, even to the point where we may wish to look at questions such as whether there is merit in removing the metropolitan milk supply zone? It is an issue that ultimately will impact on the Mount Lofty Ranges, because many dairy farmers want to shift out of the Mount Lofty Ranges and go to the South-East. In fact, tens of dairy farmers have been going to the South-East to look at land, but that land is outside the metropolitan milk supply zone and they cannot make the move. I am saying that the inquiry can actually be quite broad, and changes and certain assistance that may be given to farmers there may ultimately impact on some questions that are originally put by the Hon. Ms Laidlaw in her motion. I think all these matters are interrelated.

I have made my major points. It is important that any analysis done by the committee must be broad and must look at the whole question of development in the Mount Lofty Ranges in the context not just of who wins or loses in relation to transferable title rights but also in terms of many other questions. I believe that the matters raised by the Hon. Ms Laidlaw are important, but I do not want to make any suggestion to the committee itself that it should not look at those matters in isolation or narrowly. I give my personal undertaking as a member of that committee that I will ensure that those matters are analysed very carefully.

The Hon. T.G. ROBERTS: I rise to support the amendment moved by the Hon. Mr Elliott, and I do so as a member of the committee by which the referral will be taken. I am certainly aware of the intentions of the motions moved by the Hon. Diana Laidlaw and the concerns shown by the Government, the Opposition and the Democrats in coming to terms with a management plan that analyses exactly what is occurring in the Mount Lofty Ranges area.

I think that the referral to the Environment, Resources and Development Committee will give us time to reflect on the issues and enable us to come to terms with some of the problems that have been indicated by the Hon. Mr Elliott. Rather than a prescriptive view, I think that there needs to be a broad general view of the Mount Lofty Ranges development plan and the general plan itself to enable us to come to terms with some of the problems that are associated not only with Mount Lofty Ranges' residents but also with the impact that that region has on the metropolitan area and on agriculture, horticulture and dairy farming. This issue needs to be looked at in a clear, reflective light with as much information as possible being available so as not to narrow the prescription of what we are looking at.

It needs to be recognised—as I am sure members of the committee and members on both sides of the Chamber do—that South Australia needs to conduct a stocktake in relation to how its regional areas impact on the State and the nation as a whole. I think that this is one of the first motions that has been moved in this Council that shows the maturity of being able to reflectively look at a composite plan that takes into account the sensitivities of the residents of the Mount Lofty Ranges while, hopefully, relaying to the rest of the State the role that the Mount Lofty Ranges will play not only in the next decade but beyond that.

The Hon. Diana Laidlaw: In supporting the amendment, are you also prepared to look at the subject of my original motion—concerning losses suffered and other measures?

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. ROBERTS: We are looking not only at benefits/losses in relation to Mount Lofty Ranges' residents but at the State as a whole in relation to the Hon. Mr Elliott's amendment. I am sure that West Coast residents

understand some of the stocktaking that may be occurring within their region in relation to agricultural methods.

The Hon. Diana Laidlaw: Yet with native vegetation there was some assistance, wasn't there?

The Hon. T.G. ROBERTS: I am sure that in many areas of the State the local benefits will have to be looked at in relation to the benefits to the State as a whole. As we move forward, make recommendations and draft legislation, I hope that that will not only benefit the particular areas concerned but take into account the impact downstream. Far too often as a nation we have looked at special interests in individual areas without looking at the downstream effects of the legislative process in relation to protecting the broad general interests of the State.

I think that the amendments that have been moved give flexibility to the committee to take into account not only the gains and losses—I think that that is looking at it too narrowly—but also, in general terms, the benefits that can be accrued by looking at not only the Mount Lofty Ranges development plan and management plan—

The Hon. Diana Laidlaw: But you won't ignore the issues in the original motion?

The Hon. T.G. ROBERTS: I am sure that the committee will not narrow itself down to the prescriptive provisions of individuals within this Council but will reflect the views of the committee. The views of the committee—

Members interjecting:

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

The Hon. T.G. ROBERTS: —will then be reported back to Parliament. Two members of that committee have a rural/agricultural background—the Hon. Mr Dunn and the Hon. Peter Arnold. They are very sensitive to and aware of some of the problems that agriculture and horticulture bring, and they are also very sensitive as to what urban development brings.

I remember the Hon. Mr Hill making contributions on the problems that are associated with urban development and urban sprawl on agricultural land that is close to the metropolitan area. As a Parliament we have not seriously considered this matter, and this motion gives the Parliament—the Government, Opposition and the Democrats—an opportunity to collectively work through the issues, take evidence, undertake research (using the research skills that we are provided with and the back-up support of the department), take into account the views of the residents and the people who are presently operating in the Hills zone and come to a determination. It will then be the responsibility of the—

The Hon. Diana Laidlaw: Over four years?

The Hon. T.G. ROBERTS: The committee itself is restricted in terms of its resources, but I am sure that a number of priorities will be set to identify the matters that need to be settled as quickly as possible. It is not an easy issue, and it will take time. It will not be settled overnight. Hopefully, the time frames that we set will be practical and the time frames in relation to reporting back to the House and the Government will be sensible and will take into account the considerations that have been made by both the mover of the motion and the mover of the amendment.

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

HIV/AIDS

Adjourned debate on motion of Hon. Bernice Pfitzner:

That:

1. A select committee of the Legislative Council be established to inquire into and report on HIV and AIDS in relation to—
   - *(a)* its pathology and epidemiology;
   - *(b)* existing legislation for its control;
   - *(c)* the relevance and implications for South Australia of AIDS and HIV data analysis obtained nationally and internationally;
   - *(d)* the degree of risk of infection from health workers to patients/clients;
   - *(e)* the degree of risk of infection from patients/clients to health workers;
   - *(f)* the rights of infected persons;
   - *(g)* the rights of non-infected persons especially in the context of health care, contact sport and pre-school and primary school settings;
   - *(h)* the philosophy and practice of 'universal precautions' by health workers in hospitals.

2. Standing Order 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.

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

(Continued from 8 April. Page 3996.)

The Hon. M.J. ELLIOTT: I move the following amendment to the Hon. Dr Pfitzner's motion:

Paragraph 1:

1. Leave out the words 'A Select Committee of the Legislative Council be established' and insert 'That the Social Development Committee be requested'.

2. Leave out subparagraphs *(a)*, *(b)* and *(c)*.

Paragraphs 2 and 3—Leave out these paragraphs.

I indicated earlier that I would be seeking to move amendments in this form. I was concerned that this Council, particularly now that it is serving a number of standing committees, has a limited capacity to serve other select committees as well. We have already quite a number of committees with which members of this Council are involved. We are involved in three standing committees, several joint committees (such as the Joint Parliamentary Service Committee, the Joint Committee on the Workers Rehabilitation and Compensation System and the Joint Committee on Parliamentary Privilege), two sessional committees and five select committees.

That is a heck of a load for this Council. I will not say that I would not support some select committees, but we will need to acknowledge that select committees of this Council will be more the exception than the rule in future years. The committee load on people now is probably more than most can really bear and more than most can afford. I wish to stress, first, that it is not that I think the matters raised by the Hon. Bernice Pfitzner are unimportant: it is just that we need to be even more fussy than we would otherwise be about such a committee.

If such a motion had come up in the absence of standing committees, almost certainly I would have supported it, although perhaps, once again, in a slightly amended form. It is for that reason that I move that the matter be referred to an already functioning committee of the Council, rather than setting up a new select committee. Secondly, I have sought to preclude a couple of the terms of reference of the original motion, in particular, *(a)*, *(b)* and *(c)*. I feel that those are questions with which a committee of this Council, whether select or standing, would really struggle.

Questions of the pathology and epidemiology of HIV and AIDS are really questions that, I would argue, need to be resolved by experts. They are matters that are published in reputable magazines and books, etc., and not matters upon which I would expect a Legislative Council to be reporting. On the other hand, matters *(d)*, *(e)*, *(f)*, *(g)* and *(h)* are matters on which the committee, while it will need the advice of experts, and may in fact get some advice—

The Hon. R.I. Lucas: What about *(b)*? What about legislation?

The Hon. M.J. ELLIOTT: That will come about, to some effect.

The Hon. R.I. Lucas: Surely that's our role.

The Hon. M.J. ELLIOTT: I do not think that is precluded from the committee, anyway. The matters being referred to the standing committee are those in the public eye now. They are matters of some contention and matters that ultimately require some resolution. At least, the committee may determine that they need some resolution. On that basis, they are matters worth referring to the standing committee.

I make one summary comment: South Australia in particular and Australia generally have an extremely good record in terms of approach to the questions of HIV and AIDS. It is a record that has been achieved by not being involved in the sorts of paranoia in which other countries have allowed themselves to be caught up. Because we have been very open and honest about this disease, we have avoided the problems with which other nations have found themselves. The rate of spread of the disease in Australia is good by world standards.

That is a comparative term, because there is still a large number of people being affected but relatively, because of our sensible approach, we have generally coped as well as one would expect or hope we could cope with AIDS. The honourable member asks some worthwhile questions in her motion, and I am prepared to support those in the amended form that I have now moved.

The Hon. R.I. LUCAS (Leader of the Opposition): I rise to speak briefly. I had not been aware of the exact nature of the amendment to be moved by the Hon. Mr Elliott, although I understood that he wanted to refer the matter to a standing committee.

Members interjecting:

The Hon. R.I. LUCAS: Yes, I understand he wanted to refer it to a standing committee. While I do not necessarily agree with the Hon. Mr Elliott's argument, I understand his position in relation to deleting term of reference *(a)* (the pathology and epidemiology of AIDS) and *(c)* (the relevance and implications for South Australia of AIDS and HIV data analysis obtained nationally and internationally) but, for the life of me, I cannot understand why he seeks to delete the term of reference relating to the 'existing legislation for its control', that is, the control of HIV and AIDS.

The Hon. Mr Elliott indicated that the reasons for deleting *(a)*, *(b)* and *(c)* of the terms of reference, particularly in relation to *(a)* and *(c)*, was that these were not matters that he felt were the province of members of Parliament, the Legislative Council and parliamentary standing or select committees. Again, I can understand his argument, whilst not necessarily accepting it. But, quite clearly, it is a responsibility for members of Parliament; it is a responsibility for parliamentary standing committees and select committees to look at the existing legislation for the control of HIV and AIDS or any changes to that legislation.

It was one of the reasons for the Hon. Dr Pfitzner's moving for this issue to be referred to a select committee. The response I am getting back by way of shrugged shoulders, interjections and groans from across the Chamber is that we can still look at it, perhaps, or something along those lines. Clearly, what is happening here is that the specific term of reference is being deleted from the terms of reference. It was there but is now being specifically excluded by the Hon. Mr Elliott. Yet one of the reasons for the establishment of this inquiry ought to be whether or not the existing legislative controls in relation to HIV and AIDS are sufficient and, if not, how they might be changed. This is a question of part of the whole debate that we are seeing in virtually every other State of Australia at the moment and the debate that is going on nationally in relation to existing legislative changes.

The Hon. Carolyn Pickles: We are head and shoulders above the rest of world, and you know it.

The Hon. R.I. LUCAS: That is the view of the Hon. Ms Pickles.

The Hon. Carolyn Pickles interjecting:

The ACTING PRESIDENT (Hon. G. Weatherill): Order! The Hon. Mr Lucas has the floor.

The Hon. R.I. LUCAS: I am not arguing the particular position: I am wondering whether or not the Hon. Mr Elliott really means to remove this term of reference in relation to 'existing legislation for its control'. It seems to me to defeat at least a significant part of the purpose of this reference of the proposition to a standing committee. I gather from his body language and demeanour that the honourable member clearly means it; that he does not want this matter to be investigated. I am extraordinarily disappointed by the attitude of the Democrats and by the Government, as represented by the Hon. Carolyn Pickles, to this issue. I know that there has been some concern and difficulty in relation to getting this issue raised. I indicate briefly my concern about that aspect of the amendment.

The Hon. BERNICE PFITZNER: I thank members for their contribution to this very important debate, and I am encouraged by the recognition of members that this particular disease is important. The degree of importance is a matter of concern and I put it to the Council that AIDS/HIV is one of the most, if not the most, important health issue of this decade. However, I am disappointed that the issue is to be investigated not by a select committee but, rather, by the Parliamentary Social Development Committee. The Government states that most of the information is already available and that the standing committee will look further into these issues, depending upon the priority that that committee will accord to this problem.

The Democrats state that, although it is a significant matter, physically they will not have time to sit on another select committee. The proposal for a select committee rather than the Social Development Committee is that there is an urgency for the question of AIDS and HIV to be examined immediately and to be reported on as soon as possible. As the Social Development Committee is a new committee, it still has to recruit its officers.

The Hon. Carolyn Pickles: We have recruited them.

The Hon. BERNICE PFITZNER: When I previously spoke to the honourable member, you had not.

The Hon. Carolyn Pickles: We did it last week.

The Hon. BERNICE PFITZNER: Good. It now has to decide on its priorities. We need soneone to look at the AIDS/HIV issue as a matter of highest priority and to press on with the completion of the investigation before the year is out. It has been suggested that I could give evidence at that standing committee, but it is not evidence that I seek to give. I seek to encourage informed people to give evidence and to be able to draw out information by asking relevant and pertinent questions during the committee session based on previous knowledge of the matter. However, that is not to be.

The other concern raised by my colleagues was that it was a difficult and sensitive issue and that we must be careful how we handle it. I believe that, too, but that should not mean that we are afraid to address the issue comprehensively. I also note that the Government propounds that Australia is the best in the world for HIV and AIDS strategy.

I do not know whether this excessive description can be supported, as it depends on what criteria is used. If it relates to strategies in providing confidentiality to inflicted persons, I think we may have done well but, if we refer to strategies that relate to protecting the uninfected general community, then I am not quite sure that we are the best.

I am also particularly disappointed that the first three references have been deleted from my motion. Perhaps I should have framed it differently and not used the medical terms 'pathology' and 'epidemiology'. First, although the terms 'pathology' and 'epidemiology' are known by health academics and service providers, do we members of Parliament know about it? Pathology is the study of the nature of disease: what it is, its causes, its developments and consequences on the body. Epidemiology is the study of epidemics and its pattern of distribution on the general population. Therefore, if this committee is to look at recommending certain strategies to improve the situation, then we must be informed and have a basic knowledge of the pathology and epidemiology of this thing they call AIDS and HIV and how it affects us. I believe that it is a retrograde step to delete those aspects relating to that very basic knowledge that we as parliamentarians need to know. However, if we want to be blinded by science and not be fully informed, that is up to this Council.

The second term of reference regarding existing legislation for its control might be written in there, but do we know how it is being interpreted? I have noticed of late that legal jargon is notorious for its ambiguity, especially when it is directly applied to the community. I have looked at the existing legislation and am very concerned about the way it is applied.

The third term of reference regarding statistics again is all there to be obtained, but I must say that the statistics are all neatly kept in their particular ivory towers. We need to know the statistics, their relevance to the community and their implications. However, I hope that this basic knowledge will prevail and that the three terms of reference will still be examined when members find out that they need to have a basic background from which to work and from which to progress into the *(d)*, *(e)*, *(f)* and *(g)* terms.

Next I would like to address the press release of the AIDS Council. It used the term 'political pointscoring' and of being 'unaware of structures', of 'personal prejudices'. All I can say is that it must be referring to the wrong person, or it must be a method it uses to attack all politicians in that very stereotyped manner. I am pleased that the Hon. Ms Pickles does not support its description to a certain extent.

As for the information that I am calling for being available elsewhere—for example, Inter-governmental Committee on AIDS, ANCA, NHMRA, South Australian Health Commission, etc.—they may have the data but what use is it if it is not distributed to the health care givers—the people at the coalface. I have asked some of these health care givers working in the AIDS/HIV area—senior staff—and, although they are aware of the committees looking at AIDS, they do not know nor are they provided with any of the steps or the recommendations, except for the National Centre on HIV Epidemiology and Clinical Research. In particular, the South Australian Health Commission, one of the named groups, in January this year had no policy on how to deal with an HIV positive health worker in private practice. Further, the South Australian Salaried Medical Officers Association has tried several times to meet with the Health Commission on AIDS and HIV related issues, but with no success. These issues remain unresolved.

It is also disgraceful the way that the AIDS Council pounced on Professor Hollows in his attempt to protect the uninfected Aborigines. No doubt, his method of articulating the issue might be contentious. For example, he says:

> The AIDS epidemic will only be over when the last HIV infected person dies.

One ought to recognise his sincerity in trying to raise the facts about a uniquely serious disease, and his final cry:

> This plague must not be allowed to contaminate Aboriginal Australia.

He is frank and he is caring. Therefore, the negative messages issuing from the AIDS Council cannot be seriously considered. As Shakespeare would have said, 'Methinks they protest too much.'

We also note that other countries are struggling with this disease. From reports in February 1992 in France, we note that four French public health officials have been ordered to stand trial on charges that they have failed to stop AIDS contaminated blood from being used in transfusion. Again, in February 1992 in Singapore, we note that two men infected with AIDS were gaoled and fined in a magistrates court for giving false information to a blood transfusion service. Again in February 1992 we note in America that the tragedy of five patients who contracted HIV infection from an infected dentist has alarmed the public. The Centre for Disease Control abandoned a plan to list exposure-prone invasive procedures that health care workers should not perform. Now that centre recommends that expert review panels decide on a case-by-case basis. It states;

> Many issues need to be clarified, such as how these panels will operate, and whether decisions will be consistent in similar cases.

Again, the Journal of the American Medical Association states:

> The challenge is to protect patients while respecting the privacy and livelihood of health care workers.

Again, in February 1992, New South Wales legislation was passed in the Public Health Act 1991. It was authorised by the Director-General of the Department of Health to inform sexual or needle sharing partners of infected patients that they could contract the disease. Doctors have been concerned that such a disclosure could constitute a breach of confidentiality, and this legislation has overcome this difficulty. How are we in South Australia to interpret our Public and Environmental Health Act 1987? Are we too lax or are we too firm? Again, looking at the latest World Health Organisation figures, I note the frightening statistics which indicate that approximately 500 000 cases have been reported since records were kept 10 years ago.

Due to under-diagnosis and delays in reporting, the true worldwide total of AIDS sufferers is estimated to be 2 million, and that that includes 500 000 children. In the past three months, most of the new cases have come from the USA and Africa. The WHO also estimates that about 10 million adults have been infected with HIV since the virus first occurred, and about 1 million children have been infected with HIV in the womb. These figures are no cause to be complacent, even if we are supposed to be the best in the world, especially when we are told that a new strain of HIV has been found, and we are also told that the wonder anti-AIDS drug AZT did not make any difference on how long a sufferer lived. Yes, we have the facts and the figures, but how do we apply them not only for the infected but equally for the protection of our uninfected community?

As I have said, my preferred option is for a select committee. However, with the Democrats shadowing the amendment for a parliamentary committee, I am disappointed for the reasons previously stated, but this issue is too big and too important to be swept under the carpet.

The Hon. Carolyn Pickles interjecting:

The Hon. BERNICE PFITZNER: The honourable member says that it is a parliamentary committee. It depends on its list of priorities. Already apparently, members propose that paragraphs *(a)*, *(b)* and *(c)* will be taken out of the motion. I am beginning to have very little confidence that the matter will be looked at as comprehensively as I want. I do hope that, as it proceeds, the parliamentary committee will realise that it is omitting certain vital parts in this big jigsaw puzzle. I recommend the support of the second, much poorer, option in the amendment, as we will not have the numbers to pass the motion for a select committee with all the wide terms of reference that I have suggested. I can only hope that the new Social Development Committee will look at the AIDS HIV issue as a high priority and conduct the investigation responsibly and well. I urge members of the Council to support the motion.

Amendment carried; motion as amended carried.

BOATING ACT REGULATIONS

Adjourned debate on motion of Hon. R.J. Ritson:

That the regulations made under the Boating Act 1974 concerning hire and drive, made on 26 September 1991 and laid on the table of this Council on 8 October 1991, be disallowed.

(Continued from 8 April. Page 3997.)

The Hon. M.J. ELLIOTT: I support the motion. It is one of those cases where the bureaucrats have gone a little askew. One is tempted to say that they have gone overboard, but I will not say that. The regulations provided in this case apply to a small number of boats and affect a relatively small industry in South Australia, but it is an industry that does have a good future.

A couple of charter boat operators have won tourism awards, and they run good and safe businesses. They have an absolute perfect record of safety. The sorts of regulations that are suggested will threaten the viability of the industry and could kill it. This is probably a form of industry that we should encourage. I had prepared some rather detailed arguments in relation to this matter but, frankly, Dr Ritson has covered the important points and, while it looks good in *Hansard* to have long arguments, I will endorse the comments of the Hon. Dr Ritson and suggest that the bureaucrats spend a little more time being sensible and use some of the other standards that apply. There are two other standards they could have used rather than enforcing the third, which has done nothing except to create difficulties and which has achieved nothing in the way of safety.

The Hon. DIANA LAIDLAW: I, too, support the Hon. Dr Ritson's motion. The regulations arise from amendments to the Boating Act 1988 to add a new part III A entitled 'Licensing of persons who carry on a business of hiring out boats'. We have been waiting for some four years for these regulations, and it is extremely disappointing to observe the way in which the department has conducted its negotiations in this respect, and the fact that we in this Parliament must send the department back to the drawing board after this gap of three or four years. The regulations are to apply to house boats, motor boats and yachts that are fitted with overnight accommodation and are hired out by the owner or manager purely for recreational purposes. The Hon. Mr Elliott mentioned that the number of boats is relatively small and that there are only about 330 boats in South Australia that fit into this category and, therefore, it is proposed that only .66 per cent of the 50 000-plus boats registered in South Australia are subject to the new so-called safety regulations.

That is only two thirds of 1 per cent of the registered boats in this State. However, safety is an issue for all boats. That position is strongly endorsed by the Boating Industry Association of South Australia, which also represents what is entitled Bare Boat Charter Operators of South Australia. While it strongly endorses with equal force the issue of safety for all boats, the association objects to the safety proposals advocated by the Department of Marine and Harbors and the Minister of Marine for the hire and drive boats. The department is insisting upon the use of the Uniform Shipping Laws Code. The USL is an Australian regulation which is designed basically to cover ocean-going shipping—tankers, carriers and the like. The USL code is not appropriate to cover smaller recreational craft of the type that we are discussing—houseboats, motor boats and yachts fitted with overnight accommodation and hired out by the owner or manager purely for recreational purposes. The USL code is not recognised by most overseas nations to which Australian recreational boats may be exported.

I am not sure why the Minister and senior officers within the Department of Marine and Harbors are being so pig-headed in this matter. Perhaps it is an issue of not wishing to lose face or that they do not want to admit that they have made a mistake. I am certainly of the view that a mistake has been made by them in this regard. It is a fact that their obstinacy in this matter is making a farce of safety issues in South Australia and has the potential to cause, as all who have spoken in the debate acknowledge, great hardship and long-term damage to this fledgling hire boat industry. It will certainly cause extreme difficulties in terms of tourism and the charter boat industry. Their obstinacy is even harder to understand because alternative safety codes could be embraced that would win the wholehearted support of the South Australian boating industry. That code, the Australian Yachting Federation rules for safety equipment on vessels, has seven classified areas of operation, and is based on the International Yacht Racing Union regulations for yachts and pleasure craft.

The Hon. R.J. Ritson: Sydney Harbor has been going for a long while under those rules, hasn't it?

The Hon. DIANA LAIDLAW: Yes. If it is good enough for all the craft in New South Wales and the Sydney Harbor race, it is surprising that the Department of Marine and Harbors insists that it is no good for South Australian hire and charter vessels.

The IYRU regulations have been adopted and are in force not just in New South Wales but in 64 nations around the world. On an annual basis these regulations are reviewed by representatives from around the world, and every five years they are completely re-evaluated. The people from the Boating Industry Association with whom I have spoken reinforce this point very strongly because they feel that the flexibility and quick response time is a critical issue in safety matters. Those factors are a key feature of the International Yacht Racing Union regulations. They are certainly not when it comes to the USL regulations, which relate to ocean-going shipping such as tankers and carriers. I understand that Victoria, New South Wales and Queensland are moving to adopt the Australian Yachting Federation rules and regulations for the control of charter and training vessels. This move is significant, because Victoria, New South Wales and Queensland have the largest number of pleasure vessels in the country. We all know that in Queensland, particularly from the Gold Coast up through the Barrier Reef area and the Whitsundays, charter boat sport and recreation is popular. We would love to see it flourish in South Australian waters, but we cannot see it flourishing with these regulations if they were allowed. Why in these circumstances the

Minister and the Department of Marine and Harbors should be insisting that South Australia ignore the wisdom and the trends of the Australian Yachting Federation rules and regulations in the three largest eastern seaboard States defies logic.

I support the motion for disallowance. Like my colleagues the Hon. Dr Ritson and the Hon. Mr Burdett, and the Hon. Mr Elliott, I recommend that the Minister should require the Department of Marine and Harbors, in close association with the industry, to reassess the merits of adopting the Australian Yachting Federation rules as part of a current review of the Boating Act and the Marine Act. I understand that those Acts are being looked at in the context of a new Navigation Act. I hope that the department will open its eyes and be more realistic and perhaps consult with Tourism South Australia and others who have experience in this area, because it is clear that the department's officers who are negotiating this matter do not.

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

MOUNT LOFTY RANGES

Adjourned debate of motion of Hon. Bernice Pfitzner:

That this Council—

1. Urges the Government to make fully public the complete draft of the South Mount Lofty Ranges Management Plan.
2. Recognises the concern in the local councils regarding the proposed establishment of a Mount Lofty Ranges Regional Authority before the management plan has been put on public exhibition.
3. Disapproves of the proposed establishment of the regional authority before Parliament and the community have had an opportunity to assess the management plan in its entirety.
4. Calls on the Government to cease the processing of staff appointments to administer the regional authority.

(Continued from 27 November 1991. Page 2359.)

The Hon. CAROLYN PICKLES: Honourable members will know that this motion was first moved on 27 November 1991. The issues raised have since been superseded by events. However, I will respond to them briefly.

The first part of the motion moved by the Hon. Dr Pfitzner was that this Council urges the Government to make fully public the complete draft of the South Mount Lofty Ranges Management Plan. The answer to that point is that the complete draft of the Mount Lofty Ranges Management Plan was released for consultation on 29 January 1992 for a four-month period.

Secondly, the honourable member asks that this Council recognise the concern in the local councils regarding the proposed establishment of a Mount Lofty Ranges Regional Authority before the management plan has been put on public exhibition. The answer to that part is that there was no intention to establish a regional authority prior to the management plan being released for consultation. In fact, the proposal for a regional authority is contained in the management plan and is viewed as an important initiative in implementing the plan.

The third part of the motion urges this Council to disapprove of the proposed establishment of the regional authority before Parliament and the community have had an opportunity to assess the management plan in its entirety. The answer to that is that the Government has only approved the concept of an authority in principle at this stage. Negotiations need to be undertaken with local government on its *modus operandi* once public comments have been received on the plan.

The fourth part of the honourable member's motion is that this Council, calls on the Government to cease the processing of staff appointments to administer the regional authority. The answer to that final part of the motion is that no processing of staff appointments has occurred in relation to the authority. Since the motion was first moved on 27 November, events have somewhat superseded the detail of it.

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

STATUTES AMENDMENT (ILLEGAL USE OF MOTOR VEHICLES) BILL

Adjourned debate on second reading.

(Continued from 1 April. Page 3756.)

The Hon. C.J. SUMNER (Attorney-General): This Bill deals with penalties for the illegal use of motor vehicles and was a private member's Bill in another place, introduced by Mr Brindal, the member for Hayward. Before Mr Brindal introduced his Bill, I indicated that the Government intended to move to double the penalties for illegal use. Accordingly, I introduced a Bill on that topic, which we have already dealt with in this Council, at the same time that Mr Brindal's Bill was in another place.

The Hon. Diana Laidlaw: That happened some months later.

The Hon. C.J. SUMNER: His Bill was some months later?

The Hon. Diana Laidlaw: No, your Bill was introduced some months later.

The Hon. C.J. SUMNER: I will not get into a pedantic argument about who came first.

The Hon. Diana Laidlaw interjecting:

The Hon. C.J. SUMNER: If you want to get the public record correct, you will probably go back and find that I announced that the Government was going to increase penalties for illegal use before Mr Brindal's Bill was introduced. I will not get into a puerile argument with the Hon. Ms Laidlaw about who came first. The fact of the matter is that the Government indicated its intention to increase the penalties for illegal use and a number of other initiatives relating to it, some time ago. I remember announcing it publicly at a conference organised by the RAA.

Subsequently, two Bills were introduced to deal with the topic: one by Mr Brindal in another place and one by the Government in this Council. I understand that, for technical reasons relating to Standing Orders prohibiting a vote on the same question in another place, the Speaker in the House will—if he has not already done so—rule the Government Bill which is now in the House of Assembly out of order, even though it has already passed in this place and been transmitted to the House of Assembly. The only way in which we will deal with this matter in this session of Parliament is to pick up this Bill, and I will seek to amend it to make it comply with the Bill which left this place a few weeks ago, which is now in the House of Assembly and which cannot be dealt with there.

I do not want to repeat all the arguments. We dealt completely with the principles of this Bill when we debated the Government Bill that was before us. We can deal with this Bill in this place under our Standing Orders, because the same question rule is not offended. The Government Bill cannot be dealt with in the House of Assembly, because the same question rule is offended, so the Government is prepared to deal with this in private members' time and

then make Government time available for it to be dealt with in another place.

The amendments which I will be moving will place the Bill in the same form in which the Government Bill left this Council, except that we will agree to shift the offence to the Criminal Law Consolidation Act, not that that will achieve anything at all, but, if it keeps the Hon. Mr Brindal's blood pressure down, that is fine by me. Apart from that, the amendments I will propose will be—

The Hon. I. Gilfillan interjecting:

The Hon. C.J. SUMNER: Yes. They will have substantially the same effect as the Bill which left this Council some weeks ago.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Insertion of ss. 86a and 86b'.

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

Page 1, line 26—Leave out 'division 5 imprisonment' and insert 'imprisonment for two years'.

This Bill places these offences in the Criminal Law Consolidation Act. The penalties in that Act are not divisionalised as yet. Therefore, this amendment removes the divisionalised penalties and inserts penalties in years, and we do that for the sake of consistency. Obviously, if the other penalties in the Criminal Law Consolidation Act are divisionalised we can revert to what was in the Bill.

The Hon. DIANA LAIDLAW: I note that the Attorney's amendment not only substitutes references to the division 5 imprisonment but also, in relation to a subsequent offence, reduces what is proposed in the Bill, that is, six months imprisonment (division 7 imprisonment) back to three months. The Liberal Party is prepared to accept that change. However, it is my understanding that the penalties in the Road Traffic Act are expressed in a form different from that used in the Criminal Law Consolidation Act. The Attorney's penalty provisions in the Road Traffic (Illegal Use of Vehicles) Amendment Bill (that we debated earlier this session) provided that for a first offence imprisonment would be for not more than two years, whereas the changed terminology in this Bill is that there be imprisonment for two years, and that sounds as if it is a mandatory sentence. I understand that there is some flexibility, although as this is worded that does not appear to be so.

The Hon. C.J. SUMNER: That is a maximum penalty; it is not a fixed penalty.

The Hon. I. GILFILLAN: It seems to me that the procedure (as the Attorney-General outlined) as to the way that the Government and the Opposition would cooperate to deal with the legislation is pretty much in train. I opposed the second reading of this Bill, and I am no more inclined to be attracted to it now—but there is no point in an exhaustive debate on that. I remind the Chamber that I am not persuaded that an increase in penalty will have any effect. I also continue to have a concern about the lack of flexibility in relation to automatic disqualification and loss of licence. Anyone who wants to take a further interest in that can refer to the debate in Committee on the Road Traffic (Illegal Use of Vehicles) Amendment Bill, when this matter was dealt with.

Amendment carried.

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

Page 1, lines 27 and 28—Leave out all words in these lines and insert:

For a subsequent offence—imprisonment for not less than three months and not more than four years.

This amendment increases the penalty for subsequent offences.

Amendment carried.

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

Page 2, lines 20 to 23—Leave out all words in these lines.

The Bill seeks to create a new offence of entering onto land or premises with intent to illegally use a motor vehicle, and prescribes a division 3 imprisonment of seven years as the penalty. I think we dealt with this issue on the previous occasion, so I will quickly summarise the arguments. The arguments against this proposal are, first, that section 17 of the Summary Offences Act 1953 already makes it an offence to be on premises for an unlawful purpose and imposes a penalty of $2 000 or imprisonment for six months.

Secondly, the penalties sought to be imposed with respect to the new offence are unrealistically high when compared with offences in the Criminal Law Consolidation Act 1953. For instance, an assault occasioning actual bodily harm where a victim is 12 years of age or more attracts a penalty of five years. The suggestion is that being on land or premises with intent to illegally use a motor vehicle (according to the Bill) is to attract a penalty of seven years. I think that that is clearly out of proportion.

Further, the offences of arson and wilful damage attract penalties of five years and three years respectively where the damage exceeds $2 000 but does not exceed $25 000. This means that a person could burn or wilfully damage property and receive a lesser sentence than a person who entered onto land or premises for the purpose of using a motor vehicle without consent. Basically, the argument simply is that there is already an adequate offence in the law dealing with this topic, and this offence is unnecessary.

The Hon. DIANA LAIDLAW: I appreciate the arguments that the Attorney put when he moved the amendment, and I have heard the same arguments from the shadow Attorney-General. However, I do not dismiss the very sincere way in which this provision was supported in the other place by the member for Hayward, and indeed it was supported by all members in that place. It can be suggested that, in relation to lawyers in the Upper House putting forward their arguments, they may at times not be as close to community issues as are members representing House of Assembly electorates. This provision is supported very strongly by members in the other place, who deal directly with people who are very frustrated at being victims of those who steal vehicles from premises or private land, as compared with vehicles stolen from public land, that is, from the footpath, street, parklands and the like.

Members in the other place felt very strongly—and I am sympathetic to that view—that people should be made aware that there is a distinction in terms of the Parliament's view about the seriousness of entering somebody's property or premises and stealing a car. Of course we all—even the Hon. Mr Gilfillan—believe that stealing a car is a crime but when one actually enters private property with intent to steal a car, we should be able to have that specifically referred to. Parliament must send a very clear message to those who commit such offences that we will not tolerate it.

The Hon. I. Gilfillan: Do you think they read *Hansard*?

The Hon. DIANA LAIDLAW: No, but the word spreads very quickly amongst the groups themselves. Only one or two of them have to be caught. If the Children's Court applied the fines that were sought by the Parliament, I suspect the message would soon get around that we will not tolerate it. I acknowledge, as I acknowledged earlier in this debate, that a lot of these crimes of theft of vehicles no longer occur once a child is 18 years and can be dealt with in an adult court. That is a sad reflection on our Children's Court system and the Department for Family and Community Services.

The Hon. I. Gilfillan interjecting:

The Hon. DIANA LAIDLAW: Yes, but at 16 years, when they can get a driver's licence, they are committing the offences whereas that does not occur once they turn 18 years. That is something the police will reinforce; that because of the severity of the fine and knowing that they will be dealt with more severely in a different court these crimes are not committed once they turn 18 years. I think that the message will get around quite quickly, and they will not need to read *Hansard*. My experience with younger people is that the grapevine is pretty good and they would soon learn what we intended in the matter.

Amendment carried.

The Hon. DIANA LAIDLAW: I have a question of the Attorney. In his second reading speech he made the comment that this Bill essentially complies with the Road Traffic Act that we debated in this place earlier in the year, but in the Attorney's Bill there was reference to the following: that, where a court convicts a person of an offence against this section, the court must order that the person be disqualified from holding or obtaining a driver's licence for a period of six months, and also that the disqualification prescribed in subsection (1a) that I have just read out cannot be reduced or mitigated in any way or be substituted by any other penalty or sentence.

Whilst I appreciate that it may be odd for the mover of a Bill to ask questions in these circumstances, I was interested to know, in terms of reducing the Bill before us back to the terms of the Attorney's earlier Bill, why an amendment had not been inserted in this case to address the same matter.

The Hon. C.J. SUMNER: This Bill contains a mandatory disqualification for 12 months, and there is also a clause that provides that the disqualification cannot be reduced or mitigated in any way. Is that what the honourable member is referring to?

The Hon. Diana Laidlaw: Yes.

The Hon. C.J. SUMNER: Then what is the problem?

The Hon. Diana Laidlaw: I was interested in the fact that it was six months in the Attorney's original Bill.

The Hon. C.J. SUMNER: We are leaving it at 12 months. I thought that the honourable member was directing her question to whether or not the clause provided that disqualification could not be reduced or mitigated.

The Hon. Diana Laidlaw: It was all part of the same issue.

The Hon. C.J. SUMNER: That is in there.

The Hon. Diana Laidlaw: You indicated that you were seeking to make it comply—

The Hon. C.J. SUMNER: Substantially, I said. So, we are leaving it at 12 months: the minimum disqualification will be 12 months and not six months.

The Hon. I. Gilfillan: It's gone up.

The Hon. C.J. SUMNER: Yes.

Clause as amended passed.

Clause 4—'Offences against this Part.'

The Hon. C.J. SUMNER: I suggest that the Committee oppose this clause. The clause seeks to amend section 87 of the Criminal Law Consolidation Act, which has been repealed by section 15 of the Statutes Repeal and Amendment (Courts) Act 1991, due to come into operation on 1 July 1992. The classification of offences is now dealt with in section 8 of the Justices Amendment Act 1991. Section 8 divides all offences into the class of summary offences, minor or major indictable offences. Clause 4 (2) *(b)* of this Bill is, therefore, redundant.

The Hon. Diana Laidlaw: I agree.

The Hon. C.J. SUMNER: Clause 4 (2) *(a)* is also opposed, on the ground that the value of the car should be immaterial to the offence of illegal use of a vehicle.

Clause negatived.

Remaining clauses (5 and 6) and title passed.

Bill read a third time and passed.

STATE GOVERNMENT INSURANCE COMMISSION BILL

Second reading.

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

That this Bill be now read a second time.

As this matter has been dealt with in another place, I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

This Bill provides for the repeal of the State Government Insurance Commission Act 1970 and proposes a new framework for regulating the activities of the Commission

The Bill has developed from an ongoing review of SGIC. The Review process commenced in 1989 when the Government announced it would progressively review the operation of Government business enterprises by the Government Management Board.

In February 1991 the Chairman of the Government Management Board was requested to give priority to an examination of financial institutions commencing with SGIC. SGIC was subjected to a thorough and independent examination. The terms of reference were broadly drawn and the review group comprised persons with wide financial experience from outside the public sector. The Government Management Board Sub Group conducting the review was headed by Mr John Heard.

The Report arising from this review stressed the fundamental viability and strength of SGIC but identified a number of shortcomings in the Commission's operations. The report recommended amendments to the Act. Furthermore it recommended the establishment of a working group to assess the Review recommendations and to monitor their linplementation The establishment of the Working Group was announced by the Premier in a ministerial statement in the Parliament on 8 August, 1991. The Working Partys deliberations resulted in the preparation of a draft Bill which was introduced in another place on 13 February, 1992.

The final phase in the development of the Bill occurred on 26 February, 1992 when the Bill was referred to a Select Committee; the Government had announced (in August 1991) its intention to refer any amendments to a Select Committee.

The Bill presently under consideration is the product of the review process and Select Committee deliberations.

The Bill places much greater stress on the notion that statutory authorities should be accountable to Parliament through their responsible Ministers and much less stress on the freedom of such authorities to act independently.

Legislative changes have also been necessary to take account of the many developments within the insurance and financial markets since SGIC was established in 1972. Since that time SGIC has enjoyed considerable growth, and in so doing has provided substantial benefits to the people of South Australia.

Recent attention to a number of SGIC's poorer performing investments has tended to overshadow the positive contribution that SGIC has made to South Australia. One of the original objectives when establishing SGIC was to provide an adequate insurance service to the public and to keep premiums at reasonable levels. SGIC's current status as the State's largest household and commercial insurer and one of the State's largest motor insurers highlights its success in achieving this goal and underscores its importance to South Australia and the significance of this Bill.

Another objective of SGIC was to ensure that insurance funds raised in South Australia were to a much greater extent reinvested in the State. When SGIC was established only a small proportion of the investment of private insurers was channelled back into South Australia.

SGIC shareholdings in South Australian companies have provided stability by these companies. The bulk of equity investments of the CTP fund were linked to significant businesses in

South Australia. The Bill recognises this important role and requires the Commission, in managing its investment of money in the CTP fund to give consideration to investment opportunities in or of benefit to South Australia.

As members would be aware SGIC has played a leading role in investing in South Australian companies, property and projects. In addition, SGIC provides substantial sponsorship within South Australia and since 1985 has committed more than $5 million to road safety and medical research into road accident trauma.

The Bill proposes that the administration of the Commission's functions will be undertaken by a Board of up to seven directors, each appointed for a term of up to three years. In carrying out these functions the Commission is to have all the powers of a natural person. The Board is subject to direction by the Minister. Any such direction must be in writing and set out in the Commission's Annual Report.

The power to dismiss a director for failure to carry out satisfactorily the duties of office has been included in the Bill. While detailed provisions for imposing duties upon directors are not included in the Bill, the Government is examining proposals relating to the imposition of duties upon directors appointed to Boards of statutory authorities. However the Bill does impose a general duty of honesty care and diligence upon directors in the performance of their responsibilities both within and outside the State.

The Bill will maintain the broad functions of the Commission and empower it to undertake all forms of insurance both within and outside the State.

The Bill delineates the functions of the Commission and provides that the Commission may perform its functions outside the State.

For the first time the objectives of the Commission are to be laid down in legislation. In addition to the objectives relating to investments in South Australia referred to earlier, the Commission will be required to pursue the following objectives:

- to carry on business with a predominant focus on the insurance requirements of South Australians
- to act commercially with a view to achieving a satisfactory profit performance over the medium term
- to exercise prudence in the conduct of its business and to adopt a high standard of corporate and business ethics
- to avoid exposure to excessive levels of insurance risk.

Central to the Bill is the concept of a charter to provide for a framework under which the accountability of the Board to the Government is made clear. The charter will allow the Government to determine the nature and scope of the Commission's insurance and investment activities.

The charter will also deal with the requirements of the Minister regarding the Commission's obligation to report on its operations, the form and content of its financial statements and financial, accounting and internal auditing practices and procedures to be determined. The charter and any amendments to it are required to be laid before both Houses of Parliament within six sittings of approval or if this has not occured to be presented to the Economic and Finance Committee of the Parliament within fourteen days. In the course of the Select Committee's deliberations a draft charter was tabled and was included as an appendix to the Committee's report.

The Bill provides for the imposition through regulations of additional requirements under Commonwealth law.

The Bill empowers the Government to provide capital to SGIC and grants appropriation anthority for such capital.

The issue of capitalisation has been publicly revised in the context of SGICs operations. It should be understood that the Government guarantee largely dispenses with the need for SGIC to be provided with capital to the same extent of private indusrty. While capitalisation is a matter which the Government has under review the Government believes that the guarantee to a large degree stands in the place of capital.

The Government Management Board review recommended that SGIC comply with the disclosure requirements specified in legislation covering private insurers. It is appropriate that SGIC policy holders have this protection and the Bill provides accordingly.

As is the case under the existing legislation SGIC will be required to maintain, a separate Life Fund for its life insurance business. Furthermore while it is the sole compulsory third party insurer the Commission will be required to maintain a separate Compulsory Third Party Fund.

SGIC has been the sole third party insurer since 1976 following the voluntary withdrawal of the sixty private competitors for SGIC. Since that time SGIC has undertaken significant reform of the system implementing effective fraud control measures and efficient claims handling procedures. This reform has helped SGIC eliminate the third party deficit and return the fund to surplus. In addition any increase in CTP premiums in this State have been contained and as a consequence the average premium in South Australia are substantially less than those in New South Wales despite substantial competition in that State.

The Bill prohibits interfund lending. In order to ensure that this prohibition does not nadvertently prevent SGIC from engaging in sensible banking practices which maximise its returns from overnight investment the Bill explicitly authorises such practices.

The Government has announced its intention to compensate the CTP Fund for any disadvantage suffered from various transactions identified by the Government Management Board review.

The Commission is explicity authorised to conduct its investment activities through a series of common pools. Thus to take equities as an example, the Commission will be able to operate one large pool of equity investments of which each Fund will 'own' a proportion. The alternative is to allocate particular equities to particular Funds. For the smaller Funds especially this carries with it the risks that there will not be sufficient moneies within the Fund to enable the Commission to put together a balanced portfolio with a prudent spread of risks.

The pooling approach also minimises transaction costs. As the relative sizes of the Funds change or the desired mixes of equities change it will be possible to adjust the proportions of the common pool rather than being obliged always to buy or sell equities to reflect these changes. It should be emphasised that this does not authorise the transfer of particular shares or other investments from one Fund to another.

The present Act contains no provision requiring SGIC to present an annual report to the Minister for tabling in Parliament and the Commission is specifically exempted from the provisions of the Government Management and Employment Act which include an obligation to report. The Bill rectifies this anomaly by requiring the Commission to report by 30 September each year.

The Auditor-General expressed concerns about the difficulty in certifying the accounts of SGIC for 1990/91 owing to some doubt over the legality of interfund transaction while it is not clear that such transactions were in fact ultra vires.

Transitional arrangements provided for in the Bill validate all transactions involving interfund transfers.

In conclusion, I again point out that the Bill as it has been received is the culmination of extensive investigation by persons experienced in finance and management and detailed Parliamentary scrutiny and consultation with interested parties through the Select Committee process.

I commend the Bill to all honourable Members.

The provisions of the Bill are as follows:

Clause 1 is formal.

Clause 2 provides for the measure to be brought into operation by proclamation.

Clause 3 contains definitions of terms used in the Bill. 'Insurance business' is defined as including—

(a) assurance, additional insurance, coinsurance or reinsurance;

(b) the granting, issuing or entering into of guarantees, sureties or contracts of indemnity;

and

(c) any other activity or transaction—

(i) of a kind generally regarded by the insurance industry as constituting or forming part of insurance or insurance business;

or

(ii) of a kind prescribed by regulation.

This definition varies from the corresponding definition and related provisions of the current Act by referring expressly to coinsurance and indemnities and by allowing regulations to be made if necessary to make it clear that certain activities or transactions fall within the concept of insurance business.

Part 4 (comprising clause 4) provides for the continuation of the State Government Insurance Commission as the same body corporate. The clause declares that the Commission is an instrumentality of the Crown and holds its property on behalf of the Crown

Part 3 (comprising clauses 5 to 12 inclusive) provides for the establishment of a board of directors of the Commission.

Clause 5 provides that the Commission is to have a board of directors which is to be the governing body of the Commission Anything done by the board in the administration of the Commission's affairs is to be binding on the Commission.

The clause provides that the board is to be subject to direction by the Minister in the same way as the Commission is subject to Ministerial direction under the current Act. Under the clause, any such direction must be in writing.

Clause 6 provides for the composition of the board. Under the clause, the board is to consist of not more than seven persons appointed by the Governor, one of whom is to be appointed by the Governor to chair the board.

The chief executive officer of the Commission is made eligible for appointment to the board.

Directors are to be appointed for terms not exceeding three years.

The clause provides for a director to be appointed by the Governor as a standing deputy of the chairperson of the board and for other deputies of directors.

Provision is made for the Governor to remove a director from office for misconduct or incapacity or failure to carry out satisfactorily duties of office. The office of a director is to become vacant if the member dies; completes a term of office and is not reappointed; resigns by written notice to the Minister; is convicted of an indictable offence; becomes bankrupt or applies to take the benefit of a law for the relief of insolvent debtors; or is removed from office by the Governor.

Clause 7 provides for the procedures of the board. The clause contains the usual provisions for a quorum the chairing of meetings and the making of decisions.

Provision is made for meetings by telephone or audio-visual means and for round-robin resolutions. The board is required to have accurate minutes kept of its proceedings.

Clause 8 is the usual provision ensuring the validity of acts of the board despite a vacancy in its membership or a defect in the appointment of a director.

Clause 9 provides that a director will incur no liability for anything done honestly and with reasonable care and diligence in the performance or purported performance of official functions or duties. Any liability that would attach to a director is to attach instead to the Crown

Clause 10 provides that a director is entitled to such remuneration, allowances and expenses as may be determined by the Governor, including remuneration, allowances and expenses for membership of the governing body of a subsidiary of the Commission

Clause 11 imposes various duties on directors. Subclause (1) provides that a director must at all times act honestly in the performance of the functions of his or her office, whether within or outside the State. The subclause fixes either or both division 4 imprisonment and a division 4 fine for any such offence that is committed for a fraudulent purpose and a division 6 fine for any other such offence. Subclause (2) provides that a director must at all times exercise a reasonable degree of care and diligence in the performance of his or her functions whether within or outside the State and fixes a division 6 fine for non-compliance with that requirement. Subclause (3) provides that a former director must not, whether within or outside the State, make improper use of information acquired by virtue of his or her position as such a director to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the Commission. The subclause fixes either or both division 4 imprisonment and a division 4 fine for such an offence. Subclause (4) provides that a director must not, whether within or outside the State, make improper use of his or her position as a director to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the Commission A penalty the same as under subclause (3) is fixed for an offence against this subclause. Subclause (5) makes it clear that the previous provisions of the clause do not affect any Act of law relating to the criminal or civil liability of members of the governing body of a corporation and do not prevent the institution of criminal or civil proceedings in respect of such a liability. Subclause (6) makes it clear that noncompliance with subclause (3) or (4) will constitute dishonesty for the purposes of clause 9.

Clause 12 deals with disclosure of interests by directors. Under the clause, a director who has a direct or indirect private interest in a matter decided or under consideration by the board must disclose the nature of the interest to the board and not take part in any deliberations or decisions of the board on the matter.

A maximum penalty of a division 5 fine ($8 000) or division 5 imprisonment (2 years) is fixed for such an offence.

Subclause (2) provides that it is a defence to a charge of such an offence to prove that the defendant was not, at the time of the alleged offence, aware of his or her interest in the matter. A disclosure must be recorded in the minutes of the board. If a director makes a disclosure of interest in respect of a contract or proposed contract—

(a) the contract is not liable to be avoided by the Commission on the ground of the fiduciary relationship between the director and the Commission;

and

(b) the director is not liable to account to the Commission for the profits derived from the contract.

Clause 13 provides for delegation by the board. The clause creates an offence of a delegate acting in a matter in which he or she has a direct or indirect private interest.

Part 4 (comprising clauses 14 to 29 inclusive) deals with the operations of the Commission.

Clause 14 sets out the functions of the Commission These are—

(a) to carry on insurance business of any kind;

(b) to invest, re-invest or otherwise use or employ the funds of the Commission;

(c) to perform any functions conferred on or delegated to the Commission by or under the measure or any other Act;

(d) to perform any functions of a kind prescribed by regulation;

(e) to perform any functions that are necessary or convenient for or incidental to the performance of functions referred to above.

Subclause (2) provides that the Commission may perform its functions within or outside the State.

Subclause (3) provides that the Commission must pursue the following objectives:

(a) to carry on its insurance business with a predominant focus on the insurance requirements of South Australians;

(b) to act commercially and with a view to achieving a satisfactory profit performance over the medium term;

(c) to exercise prudence in the management and expansion of its insurance business and its assets and liabilities and to conduct its affairs to high standards of corporate and business ethics;

(d) to avoid exposure to excessive levels of insurance risk by reinsuring its risks and by accepting reinsurance of other insurers' risks.

Clause 15 provides that, subject to any limitations imposed by or under the measure, the Commission has all the powers of a natural person.

Clause 16 provides for the affixing of the Commission's common seal and the execution of documents on behalf of the Commission

Clause 17 is designed to protect persons dealing with the Commission from the consequences of a deficiency of power on the part of the Commission or a procedural irregularity and from the need to make exhaustive inquiries to ensure the validity of transactions with the Commission. Under the clause, a transaction to which the Commission is a party or apparently a party (whether made or apparently made under the Commission's common seal or by a person with authority to bind the Commission) is not to be invalid because of—

(a) any deficiency of power on the part of the Commission;

(b) any procedural irregularity on the part of the board or any director, employee or agent of the Commission;

(c) any procedural irregularity affecting the appointment of a director, employee or agent of the Commission.

Subclause (2) however provides that this is not to validate a transaction in favour of a party who enters into the transaction with actual knowledge of the deficiency or irregularity or who has a connection or relationship with the Commission such that the person ought to know of the deficiency or irregularity.

Clause 18 requires that the board prepare a charter for the Commission in consultation with the Minister. The charter is to deal with the following matters:

(a) the nature and scope of the activities to be undertaken, including—

(i) the nature and scope of the investment activities to be undertaken in respect of money of the Life Fund, money

of the Compulsory Third Party Fund and other money held by the Commission;

(ii) the nature and scope of any activities or transactions outside the State;

(iii) the nature and scope of the activities or transactions that may be undertaken by subsidiaries of the Commission, by other companies or entities related to the Commission or by the Commission in partnership or under any arrangement for sharing of profits, co-operation or joint venture with another person;

and

(b) all requirements of the Minister or the Treasurer as to—

(i) the Commission's obligations to report on its operations;

(ii) the form and contents of the Commission's accounts and financial statements;

(iii) any financial accounting or internal auditing practices or procedures to be observed by the Commission.

Under the clause, the charter may—

(a) limit the functions or powers of the Commission otherwise provided by the measure;

(b) deal with any other matter not specifically referred to above.

The board must, in consultation with the Minister, review the charter at the end of each financial year. It may amend the charter at any time with the approval of the Minister, and must do so as required by the Minister after consultation with the board.

The charter or any amendment to the charter is to come into force and is binding on the Commission when prepared by the board and approved by the Minister.

On approving the charter or an amendment to the charter, the Minister must—

(a) within six sitting days, cause a copy of the charter, or the charter in its amended form, to be laid before both Houses of Parliament;

and

(b) within 14 days (unless such a copy is sooner laid before both Houses of Parliament under paragraph *(a)*), cause a copy of the charter, or the charter in its amended form, to be presented to the Economic and Finance Committee of the Parliament.

Clause 19 empowers the Treasurer to advance money to the Commission by way of a grant or loan and provides for the automatic appropriation from the Consolidated Account of an amount required for that purpose.

Clause 20 provides in the same way as the current Act that the Commission may only borrow money or give security for a loan as approved by the Treasurer.

Clause 21 provides that the liabilities of the Commission are guaranteed by the Treasurer. The Treasurer is empowered under the clause to make charges in respect of the guarantee.

Clause 22 deals with compliance with insurance laws of the Commonwealth. The clause provides that subject to the regulations, the Commission must—

(a) supply to the Minister such annual accounts and statements as it would be required to supply under section 44 of the Insurance Act 1973 of the Commonwealth as in force from time to time or under divisions 4, 5 and 6 of Part III of the Life Insurance Act 1945 of the Commonwealth, as in force from time to time.

(b) comply with all requirements imposed on insurers carrying on business in the State by or under an Act of the Commonwealth for the disclosure of information to existing, prospective or former policy holders;

and

(c) comply with any other requirement imposed on insurers carrying on business in the State by or under an Act of the Commonwealth that is declared by regulation to be a requirement that applies to the Commission.

Clause 23 provides that the Commission is liable for all taxes, rates and imposts and has all other liabilities and duties under State laws as if it were not an instrumentality of the Crown. The clause also requires the Commission to pay to the Treasurer amounts equivalent to the income tax and other taxes and imposts for which it would be liable under Commonwealth law if it were a private insurer.

Clause 24 corresponds to section 12a of the current Act and imposes requirements designed to be equivalent to restrictive trade practice requirements applying to private insurers.

Clause 25 requires the Commission to establish and maintain separate funds for its life insurance business and compulsory third party insurance business.

Subclause (3) provides that the Commission is not required to maintain the Compulsory Third Party Fund if the Commission ceases to be the sole insurer providing policies of insurance under Part IV of the Motor Vehicles Act 1959.

Subclause (4) provides that while maintaining the Compulsory Third Party Fund, the Commission must manage its compulsory third party insurance business and the investment of money of the Fund with the objective of maintaining the Fund's capacity to meet its liabilities by achieving prudent annual surpluses so far as that is achievable having regard to the premium levels fixed under the Motor Vehicles Act 1959 in respect of such insurance.

Under the clause, each Fund is to consist of—

(a) all income of the Commission derived from the insurance business for which the Fund is established;

(b) all income of the Commission derived from or attributable to investment of money of the Fund;

(c) all amounts paid to the Commission by the Treasurer for payment into the Fund;

(d) any other amount that the Commission pays to the Fund.

Each Fund is to be applied only—

(a) in payments made in pursuance of the insurance business for which the Fund is established;

(b) in investments as authorised under the measure in respect of money of the Fund;

(c) in payment of the proportion of the Commission's costs (including borrowing costs) determined by the Commission to be properly attributable to the costs of administering the business for which the Fund is established;

(d) in making such payments as the Treasurer requires in accordance with the measure to be made from the Fund.

Subclause (7) provides that the Commission must, in managing its investment of money of the Compulsory Third Party Fund, give due consideration to investment opportunities in or of benefit to South Australia.

Subclause (8) specifically prohibits money of a Fund from being transferred or lent to another Fund or account of the Commission subject to any requirement of the Treasurer under clause 26.

Subclause (9) provides that nothing prevents the Commission—

(a) from managing the investment of a Fund by combining the money or investments of the Fund with other money or investments of the Commission;

(b) from keeping money of a Fund in a single bank account together with other money of the Commission and, in course of operation of such an account—

(i) from allowing the Fund to be in temporary deficit;

or

(ii) from allowing the Fund to be temporarily debited to meet payments required to be made for business of the Commission other than the business for which the Fund is established.

Clause 26 empowers the Treasurer to make requirements for payment from a general surplus or from a surplus in the Life Fund or Compulsory Third Party Fund. The clause provides that where it appears from the audited accounts of the Commission that a surplus has been achieved by the Commission in respect of a financial year, the Commission must, if the Treasurer so requires, pay to the Treasurer or, as the Treasurer directs, otherwise deal with such part of the surplus as the Treasurer determines in consultation with the board. In addition, the clause provides that where it appears from the audited accounts of the Commission that a surplus exists in the Life Fund or the Compulsory Third Party Fund, the Commission must, if the Treasurer so requires, pay to the Treasurer or, as the Treasurer directs, otherwise deal with such part of the surplus as the Treasurer determines in consultation with the board.

Clause 27 corresponds to section 20a (2) of the current Act and requires that the board cause an actuarial investigation to be made of the state and sufficiency of the Life Fund as at 30 June in each year.

Subclause (2) requires the board, on receipt of a report on the results of such an actuarial investigation, to forward a copy of the report to the Treasurer.

Clause 28 deals with accounts and audit. Under the clause, the board must cause proper accounts to be kept of the Commission's financial affairs and financial statements to be prepared in respect of each financial year. The accounts and financial statements must comply with the requirements of the Treasurer contained in the Commission's charter. The clause provides that the Auditor-General may at any time, and must in respect of each financial year, audit the accounts and financial statements of the Commission

Clause 29 provides for an annual report to be provided to the Minister on the Commission's operations and for the tabling of the report in Parliament.

Under the clause, an annual report must—

(a) incorporate the audited accounts and financial statements for the financial year;

(b) incorporate the Commission's charter as for the time being in force;

and

(c) set out any directions given to the board by the Minister that are not contained in the Commission's charter.

Part 5 (comprising clause 30) deals with miscellaneous matters.

Clause 30 provides a regulation making power.

The schedule provides for the repeal of the current Act, the State Government Insurance Commission Act 1970, and contains transitional and validating provisions. The current members and the current chairman are continued in office. Under Subclause, (4), all transfers of money or investments made by the Commission before the commencement of the measure between separate funds kept by the Commission for different classes of insurance are declared to have been made lawfully.

Subclause (5) provides that the assets and liabilities of the Commission in respect of its compulsory third party insurance business and its life insurance busineas as recorded in the Com-

mission's accounting records immediately before the commencement of the measure are to be treated as assets and liabilities of the Compulsory Third Party Fund and Life Fund respectively for the purposes of the establishment of those Funds under the measure.

The Hon. L.H. DAVIS secured the adjournment of the debate.

WILDERNESS PROTECTION BILL

Second reading.

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

That this Bill be now read a second time.

As this matter has already been dealt with in the other place, I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

Wilderness is becoming increasingly rare on our planet. In a very short space of time the seemingly endless tracts of forests, woodlands and deserts have been destroyed or severely modified by the demands of burgeoning human populations and impacts of modern technological society.

Wilderness, as rare as it is, preserves part of what once was. The conservation of our native plants and animals in functioning natural systems should have the best chance of viability in wilderness. Wild and untouched landscapes should have their best expression in wilderness. The presence of humans in wilderness should be in harmony with the preservation of these remote and undisturbed natural places.

Through legislation Governments in this context act to preserve a range of natural environments. South Australia has proclaimed more area as park than any other State. Our legislation also preserves native vegetation and provides for conservation based management of pastoral areas. Wilderness could of course be identified and managed in national parks legislation. This is the case in many areas of the world.

There is however a widespread view, shared by the Government, and I understand the Opposition, that wilderness is so precious that the identification and protection of wilderness should be enshrined in separate legislation. A stand-alone Wilderness Protection Act thus forms the apex in a suite of conservation legislation that includes native vegetation retention, pastoral management and the management of parks and reserves.

The Minister for Environment and Planning receives more individual representations supporting separate legislative protection for wilderness than any other single issue.

The United States of America passed a separate Wilderness Act in 1964. Australia's first separate legislation was the New South Wales Wilderness Act in 1987. The Prime Minister's 1989 Statement on the Environment included a Commonwealth Government commitment to examine wilderness management options and the development of criteria to examine wilderness values.

The South Australian Bill proposes a process of identifying potential wilderness areas based on well established criteria. These areas will either be preserved in proclaimed Wilderness Protection Areas or earmarked for future area proclamation as Wilderness Protection Zones as other land use issues such as mining potential are worked through.

The Bill prescribes the management of wilderness areas to be based on a Code of Management. The obligatory components of the code are spelt out in the Bill with a strong emphasis on environmental preservation, rehabilitation of damaged areas and managed public access. The code adoption process also involves public input and consultation.

The Bill proposes a very high degree of protection for wilderness. Proclamation will only be able to be reversed by resolutions of both Houses of Parliament. Damaging practices in wilderness areas will be prohibited in the legislation except for approved works (for example, track relocation) approved in an adopted Plan of Management.

The management of wilderness areas will be subject to an annual report to Parliament.

The Bill envisages a very high degree of public involvement and accountability. This involves:

the Annual Report to Parliament, as mentioned

- the establishment of a citizens advisory body to investigate potential wilderness and wilderness management issues
- public input into the Code of Management preparation
- public comment on wilderness area proposals before they are considered by the Government
- public comment on Plans of Management before they are prepared and again before they are finalised for adoption
- access to the Courts to ensure the wilderness protection obligations under the Act are enforced.

The issue of mining access to areas of mineral potential or unassessed regions of the State is one of importance to the Government, the mining industry and the community. The Bill proposes that suitable wilderness areas unencumbered by mining tenements be proclaimed Wilderness Protection Areas and thus receive the highest possible level of protection envisaged by the Bill.

Some areas of wilderness area potential will be in the process of being explored for mining potential or will have mining activity within them. The Bill will allow these areas to be proclaimed wilderness protection zones in a way which includes a mechanism to facilitate mining activity. The intention would be to undertake that activity in a way that minimises the impact of mining operations on the zone's wilderness values and when exploration or other activity has ceased the area would be available for proclamation as a Wilderness Protection Area.

Wilderness areas around the world are often a source of inspiration and enjoyment to visitors. Such public use in harmony with the wilderness setting is not only appropriate also but fundamentally is important to a growing number of people. The Wilderness Protection Bill prescribes, as part of the Wilderness Code of Management, the setting out of policies in relation to education of the public about wilderness and provision for the recreational use of wilderness. A common perception of public use of wilderness is that it must be available only to walkers. In South Australia much of our wilderness will be in our great deserts. The only safe way the public can travel to and through these areas is by vehicle. The Bill recognises this practical reality by providing for the maintenance of authorised vehicle access. Such use will be described in Plans of Management released for public comment.

Protection of the features that make an area wilderness is obviously of paramount importance in wilderness protection legislation.

The Bill prescribes strong protection provisions. Damaging activities are prohibited and management must be in accord with the Code and Plans of Management adopted after public input. The Bill provides for a suite of regulatory powers that are aimed to preclude damaging activities and allow for appropriate public use.

The Bill does not set up another bureaucratic structure. The Act will be administered by the Department of Environment and Planning as a complement to the State's park system. The management will be by the Department's National Parks and Wildlife Service staff. It is expected that by far the majority of the potential wilderness areas are in the existing National Parks and Wildlife Act reserve system so additional management workloads are not anticipated.

As previously mentioned, the Bill complements the State's suite of conservation legislation and establishes protected wilderness at the uppermost level of our conserved lands.

The provisions of the Bill are as follows:

Clauses 1 and 2 are formal.

Clause 3 provides definitions of terms. In some cases terms are defined by reference to the definition of the term in another Act. This is usually done when the definitions in the two Acts are to be identical and the other Act provides for the meaning to be narrowed or widened from time to time by regulation. The definition of 'the Minister' ensures that the one Minister will administer this Act and the National Parks and Wildlife Act 1972. Subclause (2) sets out the wilderness criteria. These criteria are central to the Bill. They reflect the fact that the condition of land has been degraded by modern western technology and the introduction of exotic animals and plants.

Clause 4 provides that the Crown is to be bound by the Bill.

Clause 5 is a power of acquisition vested in the Minister.

Clause 6 provides a power of delegation that is similar to the power of delegation provided by the National Parks and Wildlife Act 1972. The Minister cannot, however, delegate the power to acquire land.

Clause 7 requires the Minister to prepare an annual report which must be laid before Parliament and must be made publicly available.

Clause 8 establishes the Wilderness Advisory Committee.

Clause 9 sets out procedures for meetings of the Committee.

Clause 10 provides for allowances and expenses.

Clause 11 sets out the functions of the Committee.

Clause 12 provides for the preparation of a Wilderness Code of Management. The code must set out policies in relation to the matters set out in subclause (2). These policies must be implemented in the management of a wilderness protection area or zone to the extent to which they are relevant to that area or zone. The clause provides for submissions by members of the public.

Clause 13 provides for appointment of wardens. Wardens appointed under the National Parks and Wildlife Act 1972 and police officers will be wardens under this Bill. Authorised persons and officers and inspectors under the Mining Act 1971, the Petroleum Act 1940 and the Petroleum Submerged Lands Act 1982 will be wardens in respect of a wilderness protection zone in respect of which a relevant mining tenement is in force.

Clause 14 provides for assistance to wardens by other persons.

Clause 15 sets out powers of wardens. This clause is similar to section 22 of the National Parks and Wildlife Act 1972. Subclause (2) makes it an offence for a person to fail to answer a question put by a warden to the best of the person's knowledge, information and belief. However a person is not required to answer an incriminating question.

Clause 16 enables a warden or the Minister to direct a person who is committing an offence or who is undertaking an activity that is likely to result in the commission of an offence to stop it. The warden's direction can be made verbally on the spot and has a life of five days but cannot be renewed. The direction can be continued by the Minister by notice in writing served on the person concerned under subclause (5). This direction remains in force until it is revoked under subclause (8) *(b)*. The validity of a direction can, of course always be challenged before the courts.

Clause 17 provides for the confiscation of objects associated with the commission of an offence and for their forfeiture in certain circumstances. The corresponding provision in the National Parks and Wildlife Act 1972 is section 23.

Clause 18 is a standard provision relating to the hindering of wardens or persons assisting a warden.

Clause 19 enables a warden to arrest a person who fails to comply with a direction, requirement or order of a warden or the Minister or who hinders a warden in the exercise of powers or functions. Section 25 is the corresponding provision in the National Parks and Wildlife Act 1972.

Clause 20 makes it an offence to falsely represent oneself as a warden.

Clause 21 provides immunity from liability for honest acts or omissions in the exercise or discharge of powers or functions.

Clause 22 gives the Governor the power to constitute land as a wilderness protection are or wilderness protection zone. Land will only be constituted as a wilderness protection zone if mining is to be allowed on the land. The land will usually be Crown land but subclause (1) *(a)* (ii) enables private land to be constituted as an area or zone. In many cases the land will already be part of the reserve system under the National Parks and Wildlife Act 1972. The Governor can only act under this section on the recommendation of the Minister. Subclause (5) sets out the categories of land that can be the subject of a proclamation under the section. Before a recommendation can be made the public consultation process set out in subclause (6) must be completed.

Clause 23 provides for the constitution of land that is subject to an indenture as a wilderness protection area or zone with the consent of the indenture holder.

Clause 24 provides for the making of small boundary changes without recourse to Parliament. Section 41a is the corresponding provision in the National Parks and Wildlife Act 1972.

Clause 25 prohibits mining in wilderness protection areas but allows mining in wilderness protection zones pursuant to proclamation. Subclause (4) provides for the circumstances in which a proclamation can be made. It must be made pursuant to a resolution of both Houses of Parliament (subsection (4) *(b)*) or it must be made at the same time as the proclamation constituting the land as a wilderness protection zone is made and be limited so that it only allows an existing owner to continue mining under the original tenement or a subsequent tenement or another person to mine under a tenement transferred to him or her by the original miner (subsection (4) *(a)*). This provision is designed to preserve the value of the original mining right.

Clause 26 prohibits grazing, other forms of primary production and the construction of roads, tracks, buildings, etc., in both wilderness protection areas and wilderness protection zones. The provision does not apply to mining activities authorised on a wilderness protection zone under clause 25.

Clause 27 makes the unlawful destruction of, or damage to, a wildernes protection area or zone, or the damage or destruction of the native vegetation on such a zone, an offence.

Clause 28 provides for the administration of wilderness protection areas and zones. All leases and licences become void on constitution of the land as an area or zone. It should be noted that Crown Leasehold land cannot be constituted as a wilderness area or zone without the consent of the lessee—see clause 22 (1) *(a)* (ii). Subclause (3) ensures that a mining tenement remains in force if it is supported by a simultaneous proclamation.

Clauses 29 and 30 provide for the management of areas and zones and the implementation of the code of management in the management of areas and zones.

Clause 31 provides for the preparation of plans of management. A plan of management must implement the policies of the wilderness code of management so far as they are relevant to its wilderness protection area or zone.

Clause 32 provides that the provisions of a plan of management must be carried out in the management of the area or zone to which the plan relates.

Clause 33 provides for the declaration of prohibited areas. The corresponding provision in the National Parks and Wildlife Act 1972 is section 42.

Clause 34 provides for civil enforcement. Action can be taken under this clause by the Director or by any other person. There are similar provisions in the Planning Act 1982, the Native Vegetation Act 1991 and the City of Adelaide Development Control Act 1976.

Clause 35 provides for the commencement of proceedings.

Clause 36 provides for appeals.

Clause 37 is an evidentiary provision.

Clause 38 provides time limits for the prosecution of summary offences under the Bill.

Clause 39 is a financial provision.

Clause 40 provides a general defence.

Clause 41 provides for the marking of regulations.

Schedule 1 makes consequential amendments to the National Parks and Wildlife Act 1972.

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

PARLIAMENTARY SUPERANNUATION (MISCELLANOUS) AMENDMENT BILL

Second reading.

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

That this Bill be now read a second time.

Since this matter has been dealt with in another place, I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

This Bill seeks to amend the Superannuation Scheme for Members of the Parliament.

Several of the amendments are long overdue as they address, in a modest way, those situations where inequities in the Scheme can occur. Those situations to which I refer are where a member leaves the Parliament with less than 6 years service, and where a member dies in service without a spouse or dependent children being entitled to receive a benefit. Under the existing rules, the member leaving the Scheme with less than 6 years service receives a refund of member contributions plus interest. The inequity, and unfairness in this current provision is that the interest is calculated without any reference to prevailing market interest rates. In recent years of course, we have seen former members leave and receive interest on their money at a rate significantly less than that payable in both private sector and public sector superannuation schemes. The Bill seeks to remedy this situation by having interest applied by reference to a Government Financing Authority Long Term Rate.

The second unfair situation relates to the benefit payable in respect of a single member who dies before retirement from the Parliament. The present Act would provide the estate of the former member with simply a refund of contributions and interest at a rate with no reference to market rates. The Bill seeks to provide the estate of the member dying in such circumstances with a benefit based on a reasonable recognition of the benefits accrued in the Scheme up to the date of death.

In recent years. the life of a Parliament, by virtue of an amendment to section 28 of the Constitution Act, was made to be 4 years except in exceptional circumstances. The Bill seeks to recognise the now general 4 year life of a Parliament by providing that in terms of section 16 of the Act, voluntary retirement benefits will be available after 15 years or 4 completed Parliaments, whichever is the earlier.

The final amendment in the Bill seeks to provide some administrative flexibility for the Board to determine whether pensions are paid monthly, twice monthly or fortnightly. The amendment is designed to enable the Board to move, at an appropriate time, away from twice monthly payments to fortnightly payments. Administrative procedures will be streamlined by a movement to fortnightly payment of pensions.

The provisions of the Bill are as follows:

Clause 1 is formal.

Clause 2 amends section 16 of the principal Act.

Clause 3 replaces section 22 of the principal Act. Subsection (2) sets out the manner in which the lump sum payable under this section is calculated.

Clause 4 inserts a new Part VA dealing with benefits payable to the estate of a member who dies in office but who has no spouse or child who takes a benefit under the Act. The lump sum paid to the estate is three times the amount provided under the new section 22.

Clause 5 amends section 37 of the principal Act to make the payment of pensions and child benefits more flexible. It gives the South Australian Parliamentary Superannuation Board a discretion as to period of the payments.

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

WORKERS REHABILITATION AND COMPENSATION (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 9 April. Page 4097.)

The Hon. L.H. DAVIS: The Opposition indicates at the outset that it seeks to heavily amend this important piece of legislation. The Bill to amend the Workers Compensation and Rehabilitation Act 1986 follows persistent calls by the Liberal Party, the South Australian Employers Federation, the Chamber of Commerce and Industry and other employer groups to reduce average premiums. The fact is that this State's workers compensation levies are the highest in Australia—currently 3.8 per cent and scheduled to be reduced to 3.4 per cent from 1 July 1992 but, even with that reduction, the fact is that workers compensation rates will still remain the highest in Australia. Not only do employers in South Australia face the highest workers compensation levies but also there are severe defects in the existing legislation, most notably in relation to the definitions of 'stress' and 'second year review'.

My colleague in another place Mr Graham Ingerson (the member for Bragg) and I represented the Liberal Party on a joint select committee investigating the workers rehabilitation and compensation system. This Bill reflects, in part at least, the joint select committee interim report, which has recently been tabled in both Houses of Parliament. However, the path to amendments and reform of workers compensation in South Australia has been a slow and sorry one. The fact is that the Bannon Government balked at introducing amendments to workers compensation in August 1991 following pressures placed on it directly by the union movement. That was notwithstanding the promises that were made by Premier Bannon in March 1991—over 12 months ago—when he promised that workers compensation premiums in South Australia would become competitive with those of other Australian States by the financial year 1993-94.

As I have said, the Bannon Labor Government failed to introduce amendments in the budget session of 1991 because of union pressure. There was no secret about it; it was well publicised at the time and, of course, it centred on the battle for the control of the hearts and minds of the Bannon Labor Government at the ALP State Convention. The Liberal Party, along with employers in South Australia, was understandably upset and angry at the Bannon Government's tardiness to reform workers compensation. As a result, the then Liberal spokesman on labour, the member for Bragg, Mr Ingerson, in another place introduced a private member's Bill seeking to correct some of the obvious defects of the workers compensation scheme. It was that Bill that was referred to the joint select committee on workers compensation, which was established in late 1990.

The select committee has taken evidence from many people, including senior executives of WorkCover, such as Mr Lew Owens, the Chief Executive Officer and others, together with representatives from the medical and legal professions, employer groups in South Australia and, indeed, some witnesses from interstate with a familiarity with workers compensation schemes operating in other States of Australia. The committee, which represented all Parties and all interests in the Parliament—the Australian Democrats, Independents, the Government Party and the Liberal Party—agreed to the Bill, which had been initially styled the Ingerson Bill, with amendments. The recommendations of the select committee, which were tabled in the Parliament recently, had broad agreement on the major reforms that were necessary to the workers compensation scheme, reforms that would make a real impact on the annual levy rate paid by employers in South Australia. That centred principally around tightening the definition of 'stress' and, also, correcting the problems that had emerged through court decisions relating to the second year review.

So, with the select committee findings, it seemed that at least the stage was set for major reform of workers compensation in South Australia principally aimed at correcting deficiencies in the legislation that were agreed to by all parties and, also, most importantly, as I have said, reducing the levy rate from the highest in Australia to something that was rather more comparable with the rates paid in other States. However, in an act which could only be described as schizophrenic, the Minister of Labour in another place, having chaired the joint House select committee on workers compensation, signed the report (which had been broadly agreed to by that committee) and tabled that report, and within minutes tabled a Government Bill, which differed in major respects from the recommendations of the select committee.

To make members aware of what I am saying, I point out that the select committee on workers compensation, in presenting its report, also presented a suggested amendment Bill attached to that report. It was that report which, of course, brought agreement from the various members of the select committee. Certainly, my colleague Mr Graham Ingerson and I foreshadowed that we would introduce further amendments in that we attached a minority statement to that interim report of the joint select committee where we talked about additional amendments that we were seeking to move.

But I am sure that there were many surprised faces not only on the Opposition benches but also on the Government benches when the Hon. Bob Gregory showed that this was, indeed, a two-faced Government in every respect. There was one face that supported the view of the select committee which had agreed to make major amendments to the definition of stress and second year review, and that was confirmed by the fact that Bob Gregory signed the report with no word of objection yet, in that same afternoon, introduced a Government Bill which had severely watered down the proposals of the select committee.

Quite properly, the Minister of Labour has copped some stick for these two faces that he has presented on this matter. Of course, he has not only copped some stick but also had

egg on his face, because today the Full Court of the Supreme Court handed down a judgment which confirmed the problems that existed with the provisions relating to second year review. In fact, it has meant that the amendments, which were proposed by the Liberal Party and which were agreed to by the select committee, certainly need to be there to cover the legal argument which has been confirmed by the finding of the Supreme Court this morning. In fact, my understanding is that the findings of the Supreme Court are at the very worst end of expectations, and the amendments that the Liberal Party has proposed do not go far enough. I will return to this important matter later in my contribution to discuss the serious implications of this judgment for the financial viability of the WorkCover scheme.

Minister Gregory, quite remarkably, introduced a Government Bill which we are now debating and which has severely watered down the version of the definition of stress. The Bill refuses to accept the recommendations relating to changes to the second year review process. It also provides a new clause giving WorkCover power to impose a supplementary levy on exempt employers in certain circumstances. So, the Minister can rightly claim to be a contestant in, if not the winner of, the 'Political chameleon of the year' competition. If nothing else, it underlines the fact that the union movement dominates, towers over, threatens and controls this insipid Government, which will celebrate—if indeed that is the correct word—its tenth anniversary later this year.

When we talk about a levy rate that will be cut back from 3.8 per cent to 3.5 per cent from 1 July 1992, we should not forget that this reduced rate of 3.5 per cent is still much higher than the average 3.2 per cent rate that applied until mid 1990. It should not be forgotten also that that increase in the average levy rate from 3.2 per cent to 3.8 per cent in mid 1990 contributed an extra $55 million in premiums paid by hapless employers in South Australia during 1990-91. The actuarial midyear review of the WorkCover scheme, which I will detail shortly, indicated that an average annual levy rate of 3.4 per cent of current wages would meet the requirement for full funding. However, there are some serious concerns with WorkCover which are thrown up in sharp, unexplained increases in overall lump sum payments, which are 120 per cent higher in the six month period to 31 December 1991. There has also been a sharp increase in common law benefits. On the other hand, the sagging economic climate in South Australia has meant that there has been a shrinking in the number of WorkCover claims. They were sharply lower in the first half of 1991-92, down 22 per cent in the comparable period in 1990-91. Average payments per claim for the same period are 17 per cent lower in real terms, that is after adjusting for inflation.

Improvements have occurred in the funding of WorkCover, as there should be, because it is intended to be a fully funded scheme. WorkCover is now funded to 83 per cent, with the aim that it will be fully funded by mid 1995. It is no surprise that a sharp reduction in claims numbers and average payments per claim has occurred, because the fact is that the number of full-time jobs in South Australia has fallen over the past 12 months from 500 000 to 475 000, in round terms. That is a staggering fall in full-time jobs of 25 000, a fall in percentage terms of 5 per cent. Over that same 12 month period, part-time jobs have remained static—in fact they have declined marginally to just a shade over 151 000.

These employment statistics are a grim reminder of Premier Bannon's South Australia, where unemployment levels over the recent months have been consistently the highest—or nearly the highest—of all Australian States; where economic recovery seems to be trailing that of all Australian States; whilst there has been a trend towards part-time jobs and we have developed a more flexible work force with more weekend work, and more people perhaps having two or three jobs in these difficult economic conditions, with some downskilling in jobs and people with superior qualifications taking inferior jobs, there has been no evidence whatsoever in the official statistics of any increase in part-time jobs and part-time job opportunities. In fact, the ANZ monthly statistics on job vacancies, which are measured by examining the employment advertisements in the *Advertiser*, show that South Australia has the weakest employment outlook of all Australian States.

In other words, I am developing the argument that we should not take too much comfort from the fact that there has been a reduction in claim numbers and average payments per claim in the first six months of this fiscal year. The economic environment suggests that that would be a natural occurrence. Any economic recovery, which appears to be something of a mirage as one month rolls on after another, may reverse the trend in claim numbers. Also, there is this worrying and late development of trends towards a blowout in lump sum payments and common law claims.

One of the things that concerns me about this Government is that it makes no attempt to examine the economic impact and financial consequences of its legislation. Where in the second reading of this most important legislation is there any attempt to say what this means for the WorkCover scheme or what it means in terms of levy rates and savings for employers? There has been no attempt by this lazy, limp, leaderless, lack-lustre Government to explain exactly the economic and financial consequences of this legislation.

I will explain it to honourable members as I see it. The select committee's proposals, if they had been adopted, would have reduced average levy rates by between .4 and .55 per cent—a significant reduction. Those savings would flow principally from the second year review provisions—the amendments to section 35. That would account for .25 per cent. Also, the amendments to the section 30 provisions relating to stress would have amounted to .05 per cent. That figure might seem low, but it is very much on the increase.

Finally, as regards the lump sum provisions relating to section 42 *(a)* and 42 *(b)*, the reduction in average levy rates would range between .1 and .25 per cent. However, whilst the select committee was making recommendations which would have had a significant effect on average levy rates, which were measures that the Liberal Party supported, the Government's Bill cancelled most of the savings generated from the amendments proposed by the select committee. The stress claim recommendation was cancelled by and large by the very loose and lax definition in the Bill.

The Hon. T.G. Roberts interjecting:

The Hon. L.H. DAVIS: I do not know whether the Hon. Terry Roberts, by his interjection, is saying that he has had second thoughts and did not support the select committee. Whilst we are not allowed to discuss what happened in the select committee, for the record I can say that the Hon. Terry Roberts was on the select committee. As far as I remember, he was quite enthusiastic in his support for the proposition. Certainly there is no minority statement appended to the report from the Hon. Terry Roberts. Presumably he was *ad idem* with the proposals in the select committee report.

The Hon. T.G. Roberts interjecting:

The Hon. L.H. DAVIS: I am not quite sure why he is interjecting now.

The Hon. T.G. Roberts: Do you think the stress provisions are unfair?

The Hon. L.H. DAVIS: The Hon. Terry Roberts is now asking whether I think the Government's stress provisions are unfair. The question really is: why are the provisions, which were agreed to by the Hon. Terry Roberts and recommended by the select committee, unfair? He will have the opportunity in due course in the second reading debate, and hopefully also in the Committee, to explain his twisting and turning to the bemused, if not angered, employer groups and the many small businesses that suffer continually from having the highest workers compensation levies in the land.

The Government cancelled the good news for employers by saying, 'We are not going along with the amendments for stress and we are not going along with the necessary provisions for second year review. Savings of .3 per cent have been forfeited.' They have been cancelled because the Government has bowed, with a tug of the forelock, to the unions. It has refused to accept the recommendations of the select committee. The Bill, in summary, reduces average levy rates by .1 to .25 per cent when the select committee's proposals would have reduced average levy rates by between .4 and .55 per cent. We can see that this Bill is reducing levy rates by a minuscule amount. Given that the levy rate for mid-1992 will still be 3.5 per cent, we are saying that at most we are looking for a further saving of between .1 and .25 per cent when the lump sum provisions come into account.

The Liberal Party has been consistent in its arguments through the years. I will argue in Committee, if not in the second reading debate, that it alone of the three major Parties has been consistent in its approach to the attack on this most important matter of workers compensation. It went along with the major recommendations of the select committee, but believed that the definition of 'stress' should be tightened and that some tightening was necessary to the second year review, along with other amendments.

The member for Bragg (Mr Ingerson) and I, in a minority statement, foreshadowed that we believed that now was the time to seize the opportunity of making major amendments to workers compensation while it was before Parliament to ensure that we had a competitive workers compensation scheme that respected the rights of workers and recognised the costs to the employers. The Liberal Party members on that select committee foreshadowed that they would move amendments to remove journey accidents from the ambit of WorkCover, which would result in a reduction in average levy rates of .15 per cent. Also, we proposed the reduction of benefit levels from 100 per cent for the first 12 months and 80 per cent thereafter to 100 per cent for the first three months, 85 per cent for the next nine months and 75 per cent thereafter. This would result in a further reduction in levy rates of another .15 per cent. Those amendments are on file. I hope that the Australian Democrats will give them serious consideration. There are on file other amendments with which I will deal in due course, but they were the principal matters of concern to the Liberal Party which made an impact on the bottom line.

If there is one thing that this Government does not understand, it is that, if the bottom line is not right for employers, they will not make a profit, and if there are no profits, there will be no pay envelopes or jobs. This tired, limp, lack-lustre Government has failed continually to recognise that without profit there can be no jobs and that, if the costs to the employer are too onerous, burdensome and high in comparison to those of other States, industry will not be attracted to South Australia; nor will it flourish, prosper or expand here.

In summary, the Liberal Party proposals to adopt and strengthen the select committee recommendations in relation to stress and second year review, the exclusion of journey accidents and the reduction of benefit levels by a modest amount would see .6 per cent sliced off levy rates. That would give the potential to reduce average premium rates payable from 3.5 per cent in mid-1992 to about 2.9 per cent. That is a cut of 17.1 per cent. In real terms, that is a significant amount, and one must take into account that levy revenue in the fiscal year 1990-91 was of the order of $290 million, whilst the Liberal Party proposals are effectively seeking to reduce by $50 million the average levy payable on an annual basis by employers in South Australia. That is a significant saving. We believe that it will preserve the integrity of the scheme and make it competitive with other States, without disadvantaging injured workers in any major way. It also corrects some anomalies created by court decisions and some defects in the original legislation.

I believe that we should seize this moment. It is the first major review of the workers compensation legislation since it came into operation on 30 September 1987, 4½ years ago. But what did this Government do when it was presented with an opportunity to show that it cared for business, that it was not anti-business, and that it understood that costs had to be contained? What did it do? It wimped out. In fairly typical fashion this limp, lack-lustre Government wimped out. It did not seize the moment; it fumbled the opportunity. And that saddens me, because I unashamedly represent the private sector—that is my knowledge, experience, involvement, understanding and passion. I believe that an economy will prosper, grow and flourish if the private sector is given its head, is given opportunities and is provided with a favourable tax regime, with red tape minimised, State taxes and charges reduced and bureaucracy taken out of its way. But, the Labor Government does not understand that, and it does not understand it for one very good reason: because not one of its ministerial representatives—not one of the 13 tired members of the Bannon Cabinet—has ever had a business background or understood what is meant by a 'bottom line'. They just do not know.

Before I discuss the Bill and some of its other major consequences, I will briefly review the WorkCover scheme as it now stands and examine where it has come from and where it is going. I place on record my recognition of the fact that senior executives of the WorkCover Corporation, under the leadership of Lew Owens, have tried very hard to tighten up on the administration and financial management of this statutory authority. But it is yet another example of the Government's getting something wrong for so long. It is only in the past 12 months that this new leadership and new enthusiasm has been put in place and become obvious and is correcting the deficiencies of past years.

Tens of millions of dollars of taxpayers' money has undoubtedly been squandered in WorkCover since the new legislation came into effect on 30 September 1987. There was no excuse for that, because WorkCover built on a number of no-fault rehabilitation and compensation schemes for workers which have been set up in all Australian States. There was no excuse to say, 'We could not get it right. We were not trail-blazing in this area: we were following on and having the benefit from other States and their experiences.' But, of course, the Bannon Government, as it does with so many things, got it wrong, and the fiasco of those early months, when SGIC was effectively in control of workers compensation, obviously created an enormous amount of chaos.

It is only now that the situation is being addressed in a professional fashion. Quite clearly, the Liberal Party is concerned about that defect over recent years and, clearly, it remains concerned about the ability of WorkCover to oper-

ate effectively, given that it is a Government monopoly. There is nothing like the stiff breeze of competition, and the Liberal Party has given notice on more than one occasion that when—not 'if'—it comes to Government at the next election it will review the management of the workers compensation system in South Australia and the question of allowing private operators to enter the field. But that debate is for another day.

The Hon. T.G. Roberts: Well, we can make it a debate for today, if you like.

The Hon. L.H. DAVIS: The Hon. Terry Roberts says that we can make it a debate for today. I suspect that he may well want to debate that matter today, because he has not got a feather to fly with on the Bill before us. He seems to have joined his colleague the Hon. Bob Gregory in exhibiting the two faces of Labor. Having signed his name to a select committee making recommendations, he now disowns his signature to that report; he has now gone to water and presumably supports the Government Bill.

The honourable member will have his opportunity in due course if he has the guts and the grace to stand up in this Chamber and say why he has wimped out on the recommendations of the select committee. Let him explain himself to his colleagues, who are no doubt bemused at the twisting and turning of this Government. Let him explain himself to the employer groups and the other people who came before the select committee in good faith and made their submissions. Let him explain these things to the small businesses that are failing by the dozen each day, because of the burden of taxes and charges and the sluggish economy that has been foisted on them by these uncaring, Keating/Bannon Governments. He will have his chance to explain.

WorkCover is a big organisation which receives 5 000 telephone calls a day, 240 new claims a day, 6 000 items of mail a day and has 32 000 open claims at any one time. It has over 500 employees and is linking up 70 000 employer locations which are under the WorkCover scheme, and there are some 55 000 employer groups. It is important to recognise that we have three categories of workers for workers compensation in South Australia. First, we have the exempt groups: the self-insured groups, if you like; and, secondly, we have the non-exempt groups. The exempt groups comprise 98 large South Australian organisations and employ 35 per cent of the State's employees, including 42 private organisations, 43 State Government departments, 12 statutory bodies and the Local Government Association. The WorkCover Corporation monitors these organisations, which are responsible for their own accident prevention, rehabilitation and compensation program under the provisions of the Workers Compensation Act.

Under the exempt umbrella we have both private sector employers and Government workers, and the exempt private sector employers are invariably very large organisations, many of them public companies listed on the Stock Exchange. The State Government departments and statutory bodies which are exempt also carry their own workers compensation insurance.

Those two groups of exempt employers account for 35 per cent of State employees, and the remaining 65 per cent of workers work for what are known as non-exempt employers and are covered by the corporation. These 55 000 employers must register with the WorkCover Corporation and pay levies that are determined according to industry classification, and overlaying that is a bonus penalty system which may vary the annual premium rate depending on the accident/injury level within that organisation. Of these registered employers, 43 per cent employ only one full-time or part-time worker; 37 per cent employ between two and five workers; 16 per cent employ between six and 20 people; and 4 per cent employ more than 20 employees.

That is a significant factor on which I want to dwell for one moment. Of the 55 000 employers registered with WorkCover, 52 800 employers employ less than 20 people. That means that 95 per cent of all the registered employers are categorised as small businesses, and many of the remaining 5 per cent fall within the Australian Bureau of Statistics' definition of a small business—namely, less than 20 employees in a service industry and less than 100 employees in a manufacturing operation.

That again is a point that blithely escapes the Government—that the majority of non-exempt employers registered under the provisions of the WorkCover legislation are small businesses. Therefore, WorkCover—where levy rates may well run into double figures when calculated on salaries—is a very significant cost for many small businesses, and for some of them it may well be the biggest individual cost. For groups that are not big enough to pay payroll tax—and we are talking about employers who perhaps employ 15 or less people—WorkCover costs would represent the biggest on-cost for labour outside salaries and wages. That is a significant point which quite clearly escapes the Government.

I have mentioned that there has been some improvement in the capacity to fund the WorkCover scheme. The level of funding of the scheme was only 72 per cent as at June 1990, it increased to 80 per cent as at June 1991, and it is currently running at 83 per cent. Unfunded liabilities have reduced from $151 million to $135 million as at 30 June 1991. As I have said, there has been an improvement in the claims experience and the average payment per claim, but there is no reason to be complacent about that, because we are in the depth of a recession and one can reasonably expect that, when an upturn comes, that pattern of claims and payment of claims may be reversed.

I want to briefly mention some of the statistics from the statistical supplement to the annual report 1991. I seek to have inserted in *Hansard* a table, of a purely statistical nature, which establishes the reported claims by types of injury/disease and by gender for the financial year to the end of June 1991.

Leave granted.

1990-91 Reported Claims—Relative Percentages by Types of Injury/Disease for Numbers and Payments to end June 1991
By Gender

	Percentage of Claims		Percentage of Payments	
	Male	Female	Male	Female
Sprains/Strains	36	51	47	61
Open Wound	20	14	8	4
Contusion/Crushing	11	12	7	4
Fracture	4	3	12	5
Stress	1	2	3	7
Musculoskeletal Diseases	3	5	6	9
Internal Injuries	1	2	2	1
Multiple Injuries	1	1	2	2
Other	23	10	13	7
Total	100	100	100	100

The Hon. L.H. DAVIS: This table is interesting because the figures show major variations in claims between males and females for different injuries and diseases. For instance, females account for a much higher percentage of claims in the sprains and strains category, a much lower percentage in the open wound category and a much higher percentage in the stress and musculoskeletal disease categories. I will not comment on that one way or another, but I think it is important to understand that there are significant differences which reflect the occupations of the various workers.

I also seek leave to insert in *Hansard* a table from the 1991 WorkCover Statistical Supplement which sets out the claims by injury and disease for 1990-91.

Leave granted.

Claims Injured in 1990-91 (to end January 1991)
Observed six months after injury

Type of Injury/Disease	Number paid Income Maintenance	Number with greater than 20 days off work	Percentage with greater than 20 days off work	Number with greater than 65 days off work	Percentage with greater than 65 days off work
Sprain/Strain	2 990	1 092	37	546	18
Open Wound	638	177	28	48	8
Contusion/Crushing	544	130	24	47	9
Fracture	483	288	60	112	23
Musculoskeletal Disease	332	137	41	64	19
Superficial Injury	171	13	8	7	4
Burns	137	18	13	5	4
Stress	114	79	69	44	39

The Hon. L.H. DAVIS: This table is interesting because it highlights the injuries which are most likely to result in a long period of time off work. Understandably, fractures show up as an injury where people spend a long time off work, but the dominant area where this occurs is in relation to stress, with 39 per cent of claimants for stress still being off work after 65 days. That dominates; it is easily the highest figure of any type of injury. At 39 per cent, it runs well ahead of fractures where only 23 per cent of persons are still off work after 65 days, and musculoskeletal injury or disease where 19 per cent are still off work after 65 days. So, clearly the duration of stress claims is quite high in the private sector although, as I will say later when talking specifically about the matter of stress, the number of stress claims in the private sector are much lower than those in the public sector.

The next table I have, again of a statistical nature, sets out the occupations with the most WorkCover claims. I seek leave to have it inserted in *Hansard.*

Leave granted.

Occupations with the most claims in 1990-91 by gender—showing average cost (to end June 1991)

Males			Females		
Occupation	Number of Claims	Average Cost $	Occupation	Number of Claims	Average Cost $
Other Trades Assistants/Factory Hands	2 612	909	Sales Assistants	890	777
Structural Steel, Boilermakers and Welders	2 235	783	Other Trades Assistants/Factory Hands	688	1 110
Metal Fitters and Machinists	1 772	809	Cleaners	691	1 313
Truck Drivers	1 374	2 319	Ward Helpers	617	1 697
Vehicle Mechanics	1 301	718	Kitchen Hands	395	822
Storemen	1 281	878	Hand Packers	389	1 265
Carpenters/Joiners	959	1 327	Assemblers	303	1 164
Sheet Metal Tradespersons	790	817	Registered Nurses	290	1 738
Other Construction/Mining Labourers	760	2 329	Cooks	237	770

Employers by number of locations (as at 30 June 1991)

No. of Locations	No. of Employers
1	46 312
2	6 729
3	1 551
4	491
5	210
6	124
7	86
8	50
9	42
10	31
11-15	85
16-20	36
21-50	38
51-100	6
101-150	2
Total	55 793

Locations by base levy rates (expected Nos at 30 June 1991)

Levy Rate	No. of Locations
0.4	4 381
0.5	2 863
0.6	1 626
0.7	1 044
0.8	1 518
0.9	1 479
1	406
1.1	1 260
1.3	1 583
1.4	1 007
1.6	1 286
1.8	1 011
2	1 228
2.3	2 759
2.6	1 040
2.9	3 562
3.3	2 099
3.7	3 415
4.2	3 561
4.7	2 336
5.3	4 416
6	3 475
6.7	3 328
7.5	17 236
Total	67 919

Locations by expected bonus/penalty result 1991-1992

Bonus/Penalty	No. of Locations
Bonus 30%	21 346
Bonus 20%	2 851
Bonus 10%	2 013
No Change	37 491
Penalty 10%	679
Penalty 20%	536
Penalty 30%	405
Penalty 40%	347
Penalty 50%	2 251

The Hon. L.H. DAVIS: This table is interesting because it details the number of claims by occupation and the average cost of the claims. It highlights figures which are probably not surprising but which show that occupations such as truck driver and other construction and mining labourers jobs represent the highest average cost for

WorkCover, followed by occupations such as carpenters, joiners, cleaners, ward helpers and, finally, from this very useful statistical table, something that is often overlooked, that is, the location by base levy rates, the payment of levy rates by employers.

I have noted that there are some 68 000 locations for some 55 000 employers registered under WorkCover but, as at 30 June 1991, nearly 25 per cent of locations were paying a levy rate of 7.5 per cent. My colleague the Hon. Julian Stefani, who would have some knowledge of this matter, would agree that that is a very high figure; that 25 per cent or some 17 000 or more locations are paying 7.5 per cent minimum levy rate. On top of that, of course, there are bonus penalties, and the locations with bonus penalties for 1991-92, again, are illuminating.

There are 2 250 locations with a penalty rate of more than 50 per cent on their base levy rate. The majority had no change; that is, 37 500 had no change on their base levy rate for the 1991-92 year, and about 21 300 had a bonus of 30 per cent. These are early days for the bonus penalty system, but many examples have been provided by my colleague the Hon. Julian Stefani and other members, who have highlighted what seem to be inequities in the operation of the bonus penalty system. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

[*Sitting suspended from 5.59 to 7.45 p.m.*]

MFP DEVELOPMENT BILL

A message was received from the House of Assembly agreeing to a conference, to be held in the Legislative Council conference room at 9.30 a.m. on 22 April.

WORKERS REHABILITATION AND COMPENSATION (MISCELLANEOUS) AMENDMENT BILL

Second reading debate (resumed on motion).

The Hon. L.H. DAVIS: I wish to address the various provisions of the Bill and comment briefly on some areas that the Liberal Party believes should be recognised as important areas for amendment at the Committee stage. We accept the Government's recommendation to exclude payments by employers to superannuation funds on behalf of their employees from any calculation of average weekly earnings under the Act. That is an amendment to existing section 4.

It was also proposed to bring the definition of 'remuneration' into line with the definition of 'remuneration' for the calculation of payroll tax liability. Whilst that has been endorsed by employer bodies, we should recognise that this definition will increase the levy rate by some 7 per cent. It will require an increase in the levy rate of some 7 per cent to compensate for the loss of levy income by this reworked definition of 'remuneration'.

So, this will adjust the average levy rate from the current level of 3.73 per cent to 3.99 per cent. The Opposition wishes to flag that it will be seeking to amend section 3 of the principal Act by striking out 'journey accidents' from the ambit of WorkCover. It is inappropriate for journey accidents to be covered by WorkCover, given that at least 50 per cent of journey accidents can be picked up from a compulsory third party fund. Journey claims, in fact, represent 10 per cent of claim payments made. If we remove them from the ambit of WorkCover, the average levy rate will be reduced by up to 5 per cent. In other words, if we assume a level of 3.5 per cent, for example, that would reduce from 1 July 1992 to 3.325 per cent, if you took in the 5 per cent reduction estimated by the removal of journey accidents.

We have assumed, on advice, that there will be a 50 per cent recovery from the compulsory third party fund. I think we can see practical and persuasive arguments for the removal of journey accidents from WorkCover. The employer does not have control over journey accidents and, of course, in some cases employers actually register and insure motor vehicles driven by employees. The other point that must not be forgotten is that the benefits paid by WorkCover for journey accidents are higher than third party fund benefits.

In regard to clause 3, which we will seek to amend, at the moment overtime forms part of the equation for WorkCover. We will submit that any component of the workers' earnings which are attributable to overtime will be disregarded. This is consistent with the proposition put forward by the Liberal Party that this major reform of workers compensation is a unique opportunity for us to make far-reaching changes to WorkCover legislation in South Australia. If we do not do it now, we will wait a minimum of four months. Whilst it is true that the joint House select committee has tabled only an interim report and will continue to meet after this Bill has been debated in the Parliament, we should take the opportunity to make reforms when we can—the time is right; the time is now.

The next proposal which was put forward by the select committee and which has not been adopted by the Government in its Bill was to amend the very wide definition of 'stress'. The select committee took much evidence on this fact and we resolved to make changes in relation to compensation made for claims arising out of stress to require that stress arising out of employment must be a substantial cause of the compensable disability. Stress wholly or predominantly caused as a result of a reasonable action taken in a reasonable manner by the employer to transfer, demote, discipline, counsel, retrench or dismiss the worker will be excluded. That was the recommendation of the select committee. It went on to say:

> A stress related disability caused by a decision of the employer based on reasonable grounds not to award or provide a promotion, transfer or benefit in connection with the employment of the worker will also not be compensable.

Finally, the committee noted:

> In addition, stress related disabilities arising from reasonable administrative action taken in a reasonable manner by the employer will be specifically excluded.

That was a tightened definition of stress which was accepted by all members of the select committee. No minority statement was made on that and, indeed, in our minority statement Mr Ingerson and I commented on the fact that we felt that the definition was adequate. Our only concern related to the date from which this amended definition would come into operation.

However, the Government Bill ignored the select committee recommendation and, as a result, we have a watered down version which will enable workers to drive a truck through the definition of 'stress'. The Liberal Party has argued along the lines of the select committee recommendation that a disability consisting of illness or disorder of the mind caused by stress is compensable if, and only if, it passes two tests. The first test is that the stress arising out of employment was a substantial cause of the disability. That was the first gate which had to be passed through to prove a stress claim. However, the Government Bill only required an employee to show that the stress arising out of employment contributed to the disability. All sorts of other

factors—domestic and genetic factors—could have contributed to the disability, as well as stress arising out of employment; in other words, the first test for a stress claim proposed by the Government was so wide that you could drive a horse, cart, the Melbourne Express and a jumbo jet through it all at the same time.

The second leg proposed by the Government was stronger, but we in the Liberal Party believed that it could be improved. We have included a fourth leg to the second gate for stress. If a worker has succeeded in proving that the stress arising out of employment was a substantial cause of the disability, the worker then has to go on and argue successfully that the stress did not arise wholly or predominantly from, first, reasonable action taken in a reasonable manner by the employer to transfer, demote, discipline, counsel, retrench, or dismiss the worker. We have argued that we should delete 'in a reasonable manner' from that first provision.

Secondly, we have accepted the proposal regarding a decision of the employer based on reasonable grounds not to award or to provide a promotion, transfer or benefit in connection with employment to the worker.

Thirdly, in relation to reasonable administrative action taken in a reasonable manner by the employer in connection with the worker's employment, we believe again that 'in a reasonable manner' should be taken out of that definition, because we would argue that 'in a reasonable manner' could become a red herring and there would be a debate on the argument whether or not the employer acted in a reasonable manner. That would dilute the importance of the argument that he had taken a reasonable administrative action.

Finally, we believe, as I have said, there should be a fourth leg that the stress did not arise wholly or predominantly from industrial action. The Liberal Party in fact initiated inquiries around Australia to see how stress claims were dealt with interstate and, indeed, in the Commonwealth Public Service. In the end, we have accepted an amalgam of the stress claim provisions of Comcare (the Commonwealth Government Public Service workers compensation scheme) and, also, the Northern Territory workers compensation scheme.

Stress may well be seen as small beer in the total scheme of things, and the tightened stress definition will reduce annual average levy rates by only .05 per cent. But the fact is that South Australia is the stress capital of Australia, as I have said publicly in recent days. Those figures are there for the world to see.

The contrast between the private and public sectors in the level of stress claims is frightening. Whereas stress claims represent only .7 per cent of total claims in the private sector, they represent 7.6 per cent of State Government workers' claims. Whereas stress claims account for only 3 per cent of costs in the private sector, trending upwards towards 5 per cent, they represent in the public sector 30 per cent of the total cost of workers compensation. Indeed, in 1990-91, the last financial year, they represented $12 million. To put it in further perspective, in New South Wales stress claims are virtually unknown. The select committee took evidence from a director of the workers compensation scheme equivalent in New South Wales.

Over recent days, I have done some work on stress claims interstate, and I have established that in New South Wales in 1989-90 there were 306 stress claims for 1.9 million State Government and private sector workers; 306 stress claims out of a total of about 110 000 claims made from those 1.9 million workers. That compares dramatically with the 507 stress claims out of a total of 6 686 workers compensation claims made by just 110 000 South Australian State Government employees. If one does the sum, it shows that stress claims in South Australia—admittedly compared against private sector workers and State Government workers in New South Wales—are running at 28 times the level of New South Wales.

It is also true to say that we are running at 4½ times the level of stress claims in the Queensland public sector. In the most direct comparison of all, in the Commonwealth Government sector, where Comcare provides statistical data of claims by category of the nature of injury or disease for each of the States, we find that South Australia, although we had only 7.5 per cent of the total number of Commonwealth employees in 1991, recorded 16.4 per cent of all stress claims made by Commonwealth Government employees. In other words, we are running at about 2.2 times the national average. It is an epidemic that seems to have spread from the State Government through to Commonwealth Government workers. In fact, the level of stress is so high that employees in 1990-91 in the Department of Correctional Services recorded a dramatic number of stress claims: one in 16 workers in the Department of Correctional Services was out on a stress claim during the past financial year—6 per cent. It is running at many times the comparable level for the Police Force, which would also be another community service department that is under enormous pressure. Quite clearly, the Bannon Government is to blame for this dramatic stress epidemic.

The Hon. T.G. Roberts interjecting:

The Hon. L.H. DAVIS: The Hon. Terry Roberts laughs with disbelief. It's a shame the Hon. Terry Roberts doesn't bother to turn his attention to the Auditor-General's Report for the past financial year, because it is in black and white for all to see. If he looks under the heading 'Department of Labour' he will find very direct and obvious criticism from the Auditor-General, most critical of the Government for failing to introduce fraud prevention policies, for failing to appoint a fraud prevention officer to control the number of stress claims in the public sector. On top of that, there is persuasive evidence that the managerial and personnel skills involved have been poor, and in appropriate staff selection, where round pegs have been placed in square holes—all contributing to this extraordinary rash of stress claims in the public sector.

I would have thought this should be more than a passing interest to the Hon. Terry Roberts because, after all, that $12 million burden for workers compensation for stress claims, which represents 30 per cent of the total cost of workers compensation amongst State Government workers and which runs at 10 times the level of the private sector, is a direct burden on the taxpayers of South Australia. They are sick of picking up the tab for the Bannon Government's inaction. This data has the backing of WorkCover. These are not figures pulled out of the air; this is not fairy tale stuff; this is not Labor Party dream time: these happen to be hard facts. I ask WorkCover to examine the relationship between stress claims in the South Australian private and public sectors. The best basis on which it could make comparisons is on the basis of claims per $1 million remuneration. One would argue that that would skew the statistics in favour of the public sector, because it would generally have a higher average salary or wage than is the case in the private sector.

But the facts were irresistable, and this is data that has been prepared within the past few weeks. We see that, in 1990-91, Government workers experienced 3.3 times the incidence of stress of WorkCover employers. As we know, 95 per cent of WorkCover employers are small businesses; we established that point earlier. We are talking about 55 000

employers in South Australia. The Public Service stress claims were running at 3.3 times the level of private sector stress claims, that is, on the basis of claims per $1 million of remuneration. If one makes an adjustment for the fact that the public sector average salary/wage level is higher than the private sector, we can come out pretty safely and argue that we are effectively seeing stress claims in the public sector running at four times the level of the private sector.

Further data showed that stress claims came predominantly from females, and that shows up in the WorkCover statistics in the valuable statistical supplement to the annual report for 1990-91 and also in service-type industries. For example, we have seen a 450 per cent increase in stress claims just from correctional service officers over the past few years. It is a scandalous situation that has been allowed to run out of control. No blame attaches to WorkCover for this fact: it is operating under the guidelines of legislation. It is bound by the decisions made by the courts. Whilst it is true that of the 507 claims almost half were in the Education Department, it was the Correctional Services Department which raised my legislative eyebrows. Interestingly enough, only today I received a letter from a person in the Education Department, in which he said:

> I am responding to the report in today's *Advertiser* which relates to comments that you reportedly made concerning WorkCover and the need to more tightly define what constitutes stress. Whilst I agree that some stress claims may be over the top, I am concerned that your approach may not adequately deal with the issue. A clue to the real problem may well be contained in your remarks about poor management, for I believe that this may be the real cause of many stress problems. I am sure that it will be far more cost effective in the main if stress problems could be prevented in the first place.

He goes on to talk about Education Department staff suffering stress because they were counselled by persons not properly qualified to handle the situation. The argument is developed in some detail. I have some sympathy with that proposition, but I do not wish to develop that argument any further.

In order to show how idiotic this Government is in its approach to stress, I can say that the select committee had all the information that it could possibly have received on stress from WorkCover, from the very best medical authorities in South Australia, from employer groups and from evidence gathered around Australia. A number of cases have been decided recently in accordance with Supreme Court decisions. For instance, in the *Corporation v. Rubbert* in 1990, a worker who suffered disability, illness or disorder of the mind, commonly called stress, which arose out of or in the course of her employment, when she was properly disciplined by her employer, received compensation. Their Honours regretted the decision that they made. In particular Justice Debelle—I could quote many examples—in making the decision in favour of the worker, said:

> It strikes me as curious at least that an illness which is perhaps an unreasonable reaction to a proper disciplinary measure can entitle a worker to compensation.

The Hon. T.G. Roberts: Would that be agreed to under the amendment?

The Hon. L.H. DAVIS: That was agreed to by the select committee. Whilst the Government's definition of 'stress' goes part of the way to picking up the problems created by court decisions, as I have said, the gate has been left wide open by the Government's refusal to tighten up the first leg of the definition of 'stress'. I have not met anyone in employer groups or the legal fraternity who does not disagree that the Government has severely watered down its first leg of the definition of 'stress', opening up the prospect of even more cases for stress to be debated in the court. The Liberal Party makes no apology for picking up what was substantially the recommendation of the select committee and going on and tightening it a touch.

The Hon. T.G. Roberts: Shut them all out.

The Hon. L.H. DAVIS: The Hon. Terry Roberts is jumping up and down on his legislative hind legs complaining, yet he was a member of that select committee which brought the tightened amendment and heard the weight of evidence which is available for all to see. Even with the stronger evidence that I have produced in the past few weeks about South Australia being the stress capital of Australia—evidence which was not available to the select committee with the force and persuasion that I have demonstrated with those numerous media releases over recent weeks—I would have thought that would persuade the Hon. Terry Roberts beyond doubt. However, he has pulled back, under the weight of the union movement and the shackles that burden him, to renege on the commitment that he made when he agreed with the select committee's findings. The Hon. Terry Roberts will no doubt prove that he is a remarkable political Houdini by getting up at some later stage in the debate and arguing his way out of what I should have thought was a fairly impenetrable paper bag.

Basically, we support clause 5. Under the heading, 'Compensation for property damage', it says that an entitlement does not extend to compensation for damage to a motor vehicle. We have argued that that should also include other means of transport, and we shall be moving an amendment to that effect. That is not a significant matter, but it will be debated in Committee.

The Hon. T.G. Roberts: The Democrats would argue differently. Everybody is coming in on their bikes tomorrow.

The Hon. L.H. DAVIS: It was national bike day today, and I understand that my colleague the Hon. Rob Lucas and others got on their bikes today.

The Hon. J.F. Stefani: On their political bikes.

The Hon. L.H. DAVIS: Their political bikes. The Hon. Terry Roberts has never got off his. He will have an opportunity to pedal that furiously, as he will have to, in order to justify his extraordinary position straddling the WorkCover crossbar.

I turn now to the important matter of clause 6—weekly payments. Today's Supreme Court decision has dramatically underlined the Liberal Party's stance on one of the key provisions of this legislation, which would have had the effect of reducing the levy rate by .25 per cent if our amendment had been picked up. This amendment was recommended by the select committee but ignored by the Government. What a fool it has made of itself with the decision of the Supreme Court today! The Supreme Court's decision is dramatic, and I will outline what it really means in financial terms.

My colleague the Hon. Trevor Griffin will no doubt delve into the intricacies of that decision, which dismissed the appeal and left WorkCover in a, sadly, weakened financial position. It was the very worst possible decision: there is no question about it. What does it mean? Let me tell the Hon. Terry Roberts what it means: the Full Court's ruling will add $50 million a year to the WorkCover Bill, because all partially incapacitated workers will be paid 80 per cent compensation for the rest of their lives after being injured for two or more years. WorkCover will be liable for an estimated $120 million in payments, which will have to be paid to partially incapacitated people.

The Government has consistently refused to take the advice of the Opposition and others about the dangers of leaving clause 6 unguarded with this legislative noose hang-

ing over its neck. The chickens have come home to roost, so we have an extra $50 million a year in additional compensation payments. It obviously puts pressure on WorkCover's unfunded liability. The Liberal Party is already seeking legal advice about its amendments, because we believe that they are not strong enough to counter the effect of the Supreme Court decision today.

I want to indicate publicly that our amendments on file in relation to clause 6 will be strengthened to take into account the consequences of the Supreme Court decision today. I hope that the Government will accept the Liberal Party's amendments to this clause in the Committee stages. I just cannot believe the stupidity of this Government: when it had the opportunity to accept the select committee's recommendations, it turned its back on it. I do not want to go into the arguments in the select committee, because it is not proper to do so, but everyone realised the open-ended nature of the court decision. No-one was sure when the court decision would be made, but we knew that, if it was an adverse decision, it would have enormous financial consequences.

Let me just underline further what this means for WorkCover. I quote from evidence given by Mr Lew Owens, the Chief Executive Officer of WorkCover, to the select committee in the early months of its sitting. This evidence was given sometime during 1991, and I quote directly from page 8 of the transcript:

> The main cost to the WorkCover scheme is the cost of income maintenance. As an example, looking at our 1987-88 claims, income maintenance so far cost us 58 per cent of the total cost of claims in that year. Medical expenditure amounted to 15 per cent, rehabilitation 7 per cent, hospital 6 per cent, lump sums 6 per cent, physio and chiro 4 per cent, investigation costs 2 per cent, with miscellaneous items 2 per cent. When talking about the economics of the WorkCover scheme, we predominantly talk about the cost impact of weekly income maintenance and the associated medical and rehabilitation expenditures which go with a person who remains on weekly benefits. The worker receives 100 per cent of their pre-injury earnings, including overtime, in a regular and established pattern, and excludes some allowances such as site and disability allowances. They receive 100 per cent of these pre-injury earnings for the first 12 months of incapacity and then 80 per cent for the second 12 months after adjustment for award increases. The employer pays the first week of income maintenance but WorkCover pays virtually all other costs associated with that claim.

Mr Owens then went to the matter of particular importance, as follows:

> In the first 24 months of incapacity, the 'partial deemed total' provision means that a worker able to do some work, such as light or alternative duties, but where WorkCover cannot provide such work, is entitled to the full 100 per cent or 80 per cent benefit level as the case may be. Beyond 24 months of incapacity, however, the WorkCover system reduced benefits to partially incapacitated workers in accordance with their capacity to do any work, even if such work is not immediately available.

I want to underline the following comments:

> This critical aspect of the South Australian legislation is currently being challenged in review and ultimately into the tribunal and Supreme Court and it has considerable, indeed I would say single, signficance to the viability of the WorkCover scheme.

He is talking about the case of James, which decision was brought down today in the Supreme Court. Mr Lew Owens, the Chief Executive Officer of WorkCover, said in evidence to the WorkCover select committee:

> If that provision is lost, the WorkCover scheme cannot be financially viable with its present level of funding.

That is how important that decision was today. So the Government has, in its folly, ignored the obvious ramifications of a decision against it, has held back from amending clause 6, and has been so laid back that it has been politically horizontal to the point that it has not even had the common sense to accept the select committee's recommendation to include the amendment to section 35, and it has left it to the Liberal Party Opposition to move an amendment which was defeated in another place, because this Government is too compliant and under the thumb of its union bosses.

What sort of legislative nonsense is that? The Hon. Terry Roberts is not bleating now, because he opened his mouth and nothing could come out of it in defence of what this Government has done, and I just find—

The Hon. C.J. Sumner interjecting:

The Hon. L.H. DAVIS: Well, the Attorney-General is complaining.

The Hon. C.J. Sumner: It is just pointless. Surely you can make a speech that is sensible and to the point in less than two hours, and just get on with it.

The Hon. L.H. DAVIS: I have not been going anywhere near two hours.

The Hon. C.J. Sumner: You have; you were going well before—

The Hon. L.H. DAVIS: Of course, the Attorney-General does not understand the importance of workers compensation and its impact on the 55 000 small businesses that pay the highest workers compensation levy rates, and that is fairly typical of the response. I would not expect anything more.

The Hon. C.J. Sumner: I know all that.

The Hon. L.H. DAVIS: Well, I am glad that you know it. It is a pity that you do not do something about it. The Attorney-General is complaining about the length of this speech, but it is the most important and significant change we have had to workers compensation legislation in the past 4½ years, and I am certainly conscious of time. I will continue to examine this legislation.

Clause 11 imposes an obligation on the employer to make direct payments of income maintenance to the injured worker unless excused by the Workcover Corporation from compliance. That is a most unreasonable measure because, in the case of a small or medium employer—and we know that 95 per cent of all employers in WorkCover have fewer than 20 workers—with two or three employees or even one. If that person is out on WorkCover, they not only pay the first week that that person is away injured, but also they are also possibly under this provision liable to pay, under proposed new section 46(8*b*) 'appropriate payments of compensation on behalf of the coporation until or unless otherwise directed by the corporation'.

Certainly the provision goes on to say that: the corporation will compensate them and, if the compensation is not paid within 15 days, interest will be payable to the employer. But, what consolation is that if the employer has effectively paid out double his payroll? If he is only employing one person who is away on workers compensation, where will he get the cash flow to meet that financial burden? It is quite unrealistic and quite economically and financially stupid.

So, you have not only the problem of the key employee being away injured, thereby putting the workplace under pressure in relation to the loss of expertise, but also the possibility that the employer will have to employ casual labour and maybe pay overtime, thereby increasing his payroll and financial pressure. Under clause 11 it could well be that the employer would need to meet his increased wages bill as a result of this structure and be required to pay income maintenance to the injured worker. That financial burden is quite unrealistic, burdensome and unreasonable. It is a proposal that we are absolutely opposed to.

The ability of an employer to appeal a decision of the WorkCover Corporation board not to exempt the employer

from compliance must be seriously doubted. This does not provide an independent forum for the employer to put his case, and, in any event, the employer might quite realistically and reasonably be reluctant to advise WorkCover or its board of the financial circumstances of his business.

Clause 7 concerns the discontinuance of weekly payments. Employer groups are critical of the delays in proceedings by either employees or review officers at a time when compensation is being paid by WorkCover or exempt employers. As the review process is independent of WorkCover, the Liberal Party would argue that it is reasonable to have legislative guidelines regarding weekly payments rather than leaving it to the review officer's discretion, and accordingly we will be moving an amendment to that effect.

We support clause 9, which will result in savings to both WorkCover and the workers. This clause allows WorkCover, where a worker has been incapacitated for two years, to assess any permanent loss of future earnings capacity as a capital loss and then to make lump sum compensation which would not be taxable in the hands of the worker. That compensation can be paid as a lump sum or in instalments.

We support clause 9 which amends section 42a. However, we have severe reservations about section 42b which concerns the power to require medical examination: we believe that some of these provisions are unnecessary. Any workers compensation system must provide for the examination of a worker by a medical expert and the furnishing of the appropriate information to enable a proper assessment of the worker's entitlement. We believe that it is inappropriate to subject such basic information-gathering to a review by a review officer. Nor are there any guidelines proposed for the review. Section 38 (5) provides what is proposed under section 42b (1), and that provision is not subject to these absurd limitations. I have already referred to clause 11, and have foreshadowed that we will be seeking to delete this clause during the Committee stage.

Clause 12 concerns the delegation to exempt employers. The principal Act under section 42 currently gives exempt employers discretion in relation to the commutation of weekly payments. However, the Bill gives WorkCover the power to tell exempt employers how to exercise their discretion in situations similar to those covered by section 42. Therefore, we will recommend the deletion of some of the provisions of clause 12. We also suggest the inclusion of a sunset clause so that subsection 3aa should cease to operate on 30 June 1993. Obviously, that again is a matter for debate during the Committee stage. Clause 16 (2) provides:

> The amendments made by section 4 [for stress claims] have no retrospective operation.

Employer bodies argue that clause 16 (2) should be deleted and all existing claims for stress-related conditions should be reassessed against the new provisions. This is a matter of some delicacy. The Liberal Party has argued against retrospectivity, but we believe that that is a matter that should be addressed again during the Committee stage. We would argue that the amendments made by sections 2a and 4c to 4h inclusive should have no retrospective operation.

In addition to the measures that have been proposed by the Government, we have proposed additional amendments relating to overtime because exempt and other employers continue to be concerned about the anomaly of overtime being included in weekly payments of compensation. Despite changes made to address this problem, review officers continue to provide for overtime payments to be included, and exempt employers believe that the solution is to exclude overtime for the purposes of calculating average weekly earnings. Therefore, we will seek to amend section 4 of the Act to achieve this purpose. We will seek to amend section 26 to empower the employer to be responsible for the preparation, process and management of the rehabilitation program with the assistance of the Corporation and to require a worker to seek consent from the employer and WorkCover before changing rehabilitation providers. We will also seek to amend section 32, which concerns compensation for medical expenses, to prevent the payment of rehabilitation expenses forming part of lifestyle maintenance, thereby ensuring payment for reasonable expenses only.

I recognise that WorkCover has been cracking down on rehabilitation providers. There certainly has been some abuse of the system. Let me give one example of abuse by rehabilitation providers. A gentleman who was a blue collar worker working in a factory sprained an ankle in the workplace, went to the doctor who referred him to a physiotherapist and who said that the sprain of his ankle was not too bad and that he would perhaps require only a few visits to a physiotherapist. The physiotherapist required more than three visits, which surprised him a little bit, and the physiotherapist also demanded that he should go to a rehabilitation provider.

He objected to this, but the rehabilitation provider started ringing him at home and pestering him, demanding that he go. He was upset and spoke to his employer, with whom he was on good terms, and eventually rang WorkCover, which agreed that he should go to rehabilitation. He went to rehabilitation—under duress—and a young girl, who obviously had not been working at this place for too long, said, 'I'm glad you've come, because that means that we'll get paid our $750 now.' He was pretty outraged about this, as this was pretty well the monthly net income that he received. In 20 minutes he was asked how he felt, and he said, 'It's not my head that's the problem; it's my ankle. It is coming on fine. I want to go back to work.' So they were going to pull $750 out of him for that. He was also advised that when he went back to work they would receive another $750. Because, I suspect, of the inquiries I made and because of the furore that was created by the employer and the employee when they heard about this, the rehabilitation provider pulled back from rendering those accounts. I recognise that WorkCover is moving to redress that sort of problem, and we know that in any profession you will always have some people who exploit a situation. We believe that amendments to clause 32 will help overcome and restrict the problem that I just instanced.

A further provision we are seeking to introduce is an amendment to section 35, regarding weekly payments. At present, South Australia has the most generous workers compensation scheme in Australia, with benefits currently payable at 100 per cent for the first 12 months, and in section 35 we are seeking to reduce the benefits payable to 100 per cent for the first three months, 85 per cent for nine months and 75 per cent thereafter. That will be debated during the Committee stage, but the Liberal Party is conscious of the fact that, if we reduce benefits too much, it will be an unfair burden on the injured worker.

We make the point very strongly—a point that cannot be rebutted—that this is the most generous workers compensation scheme in Australia and, even though we already have an amendment on file seeking to reduce the benefit to 85 per cent for the period of four to 12 months, I am prepared to concede ground and make that 90 per cent, because I am aware that there is a certain level at which unions can argue for make-up pay, as is the case in other States. I believe that the 90 per cent level is an acceptable compromise.

My memory tells me that, when this matter was first debated in 1986 and 1987, the Australian Democrats produced an amendment very similar to this. It will be interesting to see during the Committee stage whether that is the case and what the Australian Democrats' view of this point is. It is interesting to see that in Victoria the Liberal Government, as I understand, has cut benefit levels to 80 per cent for the first 12 months and 60 per cent thereafter, unless a worker is totally incapacitated or incapacitated by 15 per cent or more. I believe that is the case.

It can be argued that persons at home on compensation can save some money; that they will not necessarily spend the same amount of money as if they are in the workplace. They are paid travel expenses at the rate of 24c per kilometre going to and from medical practitioners and rehabilitation treatment. One can argue that there are certain costs involved in staying home. Obviously, *bona fide* workers on injury do not want to stay at home; they wish to return to the workplace as early as possible.

In conclusion, I want to say that the Liberal Party has consulted very widely on this matter. We have consulted with the South Australian Employers Federation, the Chamber of Commerce and Industry, the Employer Managed Workers Compensation Association, the South Australian Road Transport Association, the Real Estate Institute of South Australia, the Engineering Employers Association, the Retail Traders Association of South Australia, the RAA, the United Farmers and Stockowners and the exempt employers. The Law Society has also made submissions, and I cannot recollect where such an important and major piece of legislation as this has been so seriously considered by employer groups with such unanimity about what needs to be done.

Employer groups unanimously have accepted the need to tighten the definition of 'stress', because they are worried at the quite alarming trend developing in that area, confirming South Australia's reputation as the stress capital of Australia. They believe that the second year review should be tightened. They believe that benefit levels in South Australia are too high: the most generous in Australia. They believe that journey accidents should be excluded. Those are the major propositions on which the Liberal Party has amendments to the workers compensation legislation.

We believe that they should be addressed seriously. We hope that the Government will consider them seriously, even though it has not proposed them itself. If we do not reduce the cost burden to the 57 000 employers under WorkCover, the exempt employers, the Government employers, with the generosity of stress claims, we will not get South Australia moving again. In the last generation we have run from having a reputation as a low cost State to that of a high cost State. There is no incentive for small business or big business to establish, to expand or to relocate to South Australia.

That saddens and disappoints me, and WorkCover costs, being such an integral part of business costs, need to be taken very seriously. This is our opportunity to redress the imbalance and our opportunity to reduce South Australia's workers compensation levies, which are currently the highest in the nation, to rates that are comparable with those of other States. The Liberal Party's proposals, if accepted, will shave $50 million from and reduce by 17 per cent the levy rates for employers registered under WorkCover. That is a dramatic move, an exciting move, and a move worthy of serious support.

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

GAMING MACHINES BILL

Adjourned debate on second reading.

(Continued from 14 April. Page 4239.)

The Hon. R.I. LUCAS (Leader of the Opposition): Mr President, as members and the community would be well aware, the Gaming Machines Bill is an example of that rare animal—a conscience vote for all members of Parliament of whatever political persuasion they might be. I must say that I rather enjoy the novelty of a completely free conscience vote; the novelty of not really knowing at the second reading stage, the amendment stage and then perhaps the third reading stage what might happen; and the novelty of seeing, on both sides of the political fence, arguments or vigorous discussion and debate between colleagues. As I have said, that is not just related to one side of the political fence—it is on both sides. I think that is perhaps the way Parliaments were meant to be—it certainly is not the way Parliaments are these days. Much of what we do is predetermined by votes of our political Parties and, whilst within the Liberal Party there are occasions when individual members do express their own conscience and cross the floor, frankly, that is a rarity. Of course, in the Labor Party that situation is non-existent. If members happen to do that, as Norm Foster did, they are exorcised or excommunicated, whatever word the Labor Party likes to use, from the Labor Party and for the rest of their political life they remain at the political outpost, having been expelled from the Labor Party. As they say, generally these issues are controversial ones, but I rather enjoy the non-predetermined nature of this sort of legislation and I welcome that situation.

Given the discussion in recent times about conflict of interest, at the outset of my contribution I would have to declare a potential conflict of interest. I am a member of the West Adelaide Football Club and I read, in the sporting pages anyway, that some league football clubs might be interested in establishing poker machines on their premises. Although I do not know for sure, I understand that the West Adelaide Football Club might be one of these clubs, but I can say that neither Doug Thomas, the President, the Chairman or, indeed, the current coach have in any way lobbied me one way or the other in relation to my attitude to this legislation. I have had no contact with any of the significant movers and shakers of the West Adelaide Football Club.

In my first year in Parliament back in 1983, this Council and the Parliament generally voted on the very controversial Casino legislation. For those who are now comfortable with the existence of the Casino in South Australia, one can soon forget the very controversial nature of the debate that we had back in 1983 as to whether or not a casino should be established here in South Australia. I am sure that members are receiving lots of emotional lobbying on both sides regarding what they should do in regard to this legislation and, indeed, it was exactly the same back in 1983 when we, as members, and I, as a very new member in this Chamber, had to make a difficult decision what to do about the Casino. On that occasion, together with a small number of other Liberal members, I joined with, I think, all Labor members in this Chamber and voted to pass the Casino legislation.

I think it would be fair to say that the community opinion back in 1983 was divided as to whether or not we should have a casino. Very many in the community, including churches, not to put too fine a point on it, predicted the end of the world as we knew it then if we were to introduce the Casino to South Australia. There was much lobbying

against that legislation at that time. I think it is fair to say also that, in general terms, the majority of the South Australian community now accepts the Casino as an important part of our entertainment or recreational scene in South Australia. I think that many members of the community and a number of members of Parliament who opposed the Casino in 1983 have, during the past eight or nine years, become used to the Casino and, in fact, use the facilities of the Casino and have been known to frequent that establishment on a not too infrequent basis. Indeed, when their friends and relatives come from the country areas of South Australia, from interstate or overseas, they are anxious to entertain them with a good meal at the Casino and perhaps a light flutter on the tables later in the evening. I think the community attitude and the attitude of many members might have mellowed towards the Adelaide Casino over the past eight or nine years.

I want to put the view that I believe that the poker machine debate we are currently having is in some respects very similar to that controversial debate in 1983 relating to the Casino. Again, all sorts of dire consequences have been predicted if this legislation were to pass the Parliament. Many people predict the end of the world as we know it today if poker machines are allowed into South Australia. In saying that, I do not seek to denigrate the views of those people who oppose poker machines. There are many varied views within the community, the Parliament, and my own Party on the general question of gambling and on the more specific question of poker machines. I know that those views are strongly held and I indicate at the outset that I respect the views of my colleagues, both on this side and on the other side of the Chamber, and the views in the community which are strongly held and which are perhaps different from the views that I intend to put this evening.

If I could instance, for example, in the House of Assembly when this matter was voted on at the second reading stage some five or six Liberal members indicated their support for the legislation and some 14 or 15 Liberal members opposed the legislation. So, it was roughly 75 per cent/25 per cent. At the third reading stage, around four or five out of the 21 members indicated support for the legislation—again, about three-quarters opposed the legislation in the other place. In this place, given that public polls that have been conducted by the *Advertiser* and other sections of the media, it would appear on the conscience vote that some two or three members out of 10 in the Liberal Party are prepared to consider supporting the legislation, subject to appropriate amendments and safeguards so, again, the majority of my Party, some 70 or 80 per cent, may well oppose the legislation and perhaps some 20 or 30 per cent in certain circumstances might be prepared to support it.

As many of my colleagues remind me, my attitude over the nine years in this Council to the various measures this place has debated to extend gambling has been consistent; that is, since 1982 I have supported all measures introduced in this Council to extend the options for gambling in the community. We have had many examples of those over the past eight or nine years and, as I said, the most controversial perhaps was the Casino in 1983 and the most recent in 1990 or 1991 was the question of the video gaming machines being allowed into the Adelaide Casino.

In our community, there are already very many forms of gambling available. We have the Casino, instant money or scratchy tickets, bookmakers—both legal and illegal—X-Lotto, TAB in which we can bet on football, horses and dogs, the Grand Prix and a variety of other forms of gambling such as bingo, lotteries and raffles. Basically, the view that many have of Australians that we are prepared to bet on anything that moves is perhaps an indication of the range of gambling options that are available to the South Australian community.

The Hon. T.G. Roberts: Cricket matches.

The Hon. R.I. LUCAS: There is a very important cricket match on tomorrow. I do not think I will be betting on the parliamentary team, given its performance over the years. In addition, I must say that a colleague and I have a bet between ourselves on the prospect of West Adelaide and Norwood being premiers. It is fair to say that over the past eight years neither of us has collected: we have good odds, and I am looking forward to collecting at the end of the year. It is an indication of Australians that we do bet amongst ourselves or legally and formally through institutions such as the TAB and the Casino—and perhaps the bingo down at West Adelaide and various other football clubs and community groups as well.

I express the view that I have expressed on a number of occasions previously, that is, I believe a small percentage in our community are predisposed to gambling addiction or lack of self-control. The vast majority of South Australians are adult in their behaviour about most matters and are adult enough to handle themselves in relation to the gambling options that confront them, and their gambling is modest or moderate but certainly controlled. As I said, I concede that a small percentage of our community is predisposed to gambling addiction. In general terms, I argue—and I will continue to argue—that a small percentage of our community is already suffering or will suffer problems in the future due to the range of gambling options that we have, irrespective of this vote. It is my view—and I know that it is not shared by many others in the Parliament—that my vote for an additional form of gambling to be offered along with the many that we already have will not significantly change that small percentage in our community who are predisposed to a gambling addiction or lack of self-control.

In arguing that, I do not say that there will not be people who will find themselves in trouble in relation to a lack of self-control if poker machines are available. However, what I argue to the community and to this Council is that those people at the moment are likely to be already suffering through gambling addiction which perhaps they are currently satisfying at the Casino, the TAB, the local hotel or at the variety of other gambling outlets that already exist. I argue that when we introduce a new form of gambling—as we have seen when we introduce a new cigarette into the marketplace—we will see a switch by some who might be gambling to excess in the Casino or the TAB to poker machines. As I said, that is the general proposition that I put. Again, I accept that obviously there will be examples of people who perhaps have never gambled before but who will, because of some strange attraction to poker machines—and I personally cannot understand that—place themselves and their families at risk.

I have to concede that, from my recollection—and I am suffering from senile dementia at an early age—my views have changed over the past 10 years. I cannot find a record of them, but I am sure that when I first started in Parliament I took the view—as many members did at that stage—half in justification of supporting it, that I would support the Casino but would not allow poker machines into South Australia. I also concede—and obviously all members would accept this—that obviously from this small percentage of people who suffer gambling addiction there is some element of human misery as a result of the opportunity for people to gamble, whether it be on poker machines, dogs, horses or in the Casino. However, the proposition that I put to the

community and to the Parliament tonight is that in general terms that level of human misery that exists already will remain irrespective of the vote that I cast in relation to this legislation.

Other members who have supported poker machines have used many arguments for their introduction. Those arguments are not the significant factor in my thinking on this issue, but I want to list them briefly. The first argument is that millions of dollars in any year are being lost to the South Australian tourism and hospitality industry by South Australians going across the border to gamble on poker machines in Victoria and in New South Wales. It is interesting to note that in recent times both Victoria and Queensland have introduced poker machines in quick succession, because they saw the money they were losing in tourism and hospitality dollars to New South Wales. Many of us would know—and again I am not sure of the reason—that many older members of our community, pensioners and retired people, happen to enjoy a punt on poker machines and they to enjoy a weekend away with friends on one of the many bus trips that are conducted to Mildura or other places across the border where they are able to invest their money in the poker machines in other States.

I know that the first stage of the introduction of new machines has just commenced in Victoria. In my neck of the woods, which is the South-East of South Australia, machines will go into Portland. I have already received, as have the Hon. Jamie Irwin and other members from the South-East, the lobby from 20 to 30 hoteliers in the Mount Gambier area in the South-East expressing their concern about the competition from the western districts of Victoria for the tourism and hospitality dollar. Certainly, I am sure that hoteliers in the Riverland may well put a similar point of view to those members who are close to the Riverland in South Australia. I note that Peter Arnold, the member for Chaffey in another place, indicated his support by way of his vote on this legislation.

The other argument for poker machines that has been put by those who support them is that the hotel and club industry is in dire straits; it needs a saviour. Some argue that the passage of this Bill may well be the saviour that the industry requires. That is not my view, and I do not intend to expand at length why it is not. I do not accept that argument, but it is an argument that people put forward.

Another argument that I suspect the Premier in particular and Government members might use is that we are in dire financial straits as a result of the State Bank bail out and other fiscal disasters that we have endured over recent years and therefore we need the money. The Premier and the Government are arguing that perhaps there is a lazy $50 million of revenue that might be collected by the Government. Again, I do not believe that that figure of $50 million is right, and it is not a reason that I proffer for support of this legislation.

I want to consider some arguments against the legislation. In the past two or three days, given the fact that the media ran me to ground and asked me how I was going to vote on this legislation, one staff officer in my office is now suffering stress as a result of taking phone calls about this matter. A whole range of reasons have been put to me by way of letter, fax and telephone call against the introduction of poker machines. I have been told that my vote, and the votes of others of my colleagues, for this legislation will lead to an increase in family breakup and divorce, an increase in crime, particularly petty crime, an increase in bankruptcies, an increase in poverty and the number of gamblers in South Australia. In summary, it will drastically increase the human misery index of South Australians if I support this legislation.

As I have received so much lobbying on this matter, I want to address some aspects of those claims. I did not have time to check, but poker machines have existed in New South Wales for many years. One of my colleagues tells me that it is as long as 30 or 40 years, but it must be at least 20 or 30 years, or even longer. We in South Australia have not had poker machines. Therefore, I thought it might be worth while to explore some of those elements of social degradation and breakdown that have been claimed as a result of the introduction of poker machines through a comparison of New South Wales and South Australia. In the short time that I had available today I have managed to get some detailed information on three or four of those component parts.

First, I turn to some figures that have been provided to me by the Institute of Family Studies in Melbourne, which drew upon some Australian Bureau of Statistics figures in relation to family breakdown or divorce. The Institute of Family Studies has done a comparison of the divorce rate per 1 000 population in 1990 for all States and for Australia. In New South Wales the divorce rate per 1 000 population is 2.1. The divorce rate in South Australia in 1990 is 2.8 per 1 000 population. In percentage terms, there was a 33 per cent higher divorce rate in South Australia in 1990 compared with New South Wales.

I have looked at some figures in relation to crime which were provided to me by the Australian Institute of Criminology—a very reputable source that the Liberal Party has used on a number of other occasions for various reasons. I want to look at one of many tables that it faxed to me. This relates to what might be labelled as petty crime. It involves the number of offences reported to police and the rate per 100 000 population. The most recent figures are for 1989 or 1990. The rate per 100 000 population in South Australia was 1 589.06 compared with 1 051.90 in New South Wales. The rate per 100 000 population for breaking, entering and stealing for dwellings was 51 per cent higher in South Australia than in New South Wales. Looking at a similar table for breaking, entering and stealing for the total, not just for dwellings, the figure for New South Wales per 100 000 population was 1 650.86 compared with 2 949.02 for South Australia. So, in South Australia, breaking, entering and stealing per 100 000 population was 78.6 per cent higher than the comparative figure for New South Wales. Many other crime figures were supplied to me by the Australian Institute of Criminology that I could have quoted.

The third area relates to bankruptcies. I am advised that the annual report for 1990-91 by the Inspector General in Bankruptcy—the most recent figures that I could get—indicates that South Australia had just under 12 per cent of the total of business bankruptcies with approximately 8 per cent of the population. One of my colleagues, who is an expert in bankruptcies and who has demonstrated that over the years, has indicated to me that his recollection is that the personal bankruptcy figure as opposed to the business bankruptcy figure for South Australia as a percentage of the Australian total is again 12 per cent when compared with the population share of the national average of 8 per cent. Again, our personal and business bankruptcies are much higher than one would expect as a pro rata share of population.

I could offer similar figures in relation to poverty and other areas, but I do not intend to pursue that line of argument. I accept that the figures I have given do not conclusively prove anything. They are correlations in a statistical sense. They do not prove causation or causality,

to use a statistical term. They do not prove what causes what, to use a lay person's term. They do not conclusively prove anything. But what they do show is that there is no evidence, when one looks at crime, family breakdown, divorce, bankruptcies and poverty, that New South Wales, after 20, 30 or 40 years of poker machines rampant in that community, is in a more seriously socially degraded state than South Australia and perhaps, indeed, the rest of the nation. In fact, one could argue from those figures that South Australia—and the Liberal Party on occasion has sought to do this in relation to bankruptcies and crime—is suffering much more from those social devastation figures than are many other States in Australia.

Another argument used against the introduction of poker machines is the general area of crime, corruption and the spectre of Mafia family elements. I concede that it is an important issue and that it has been an important issue in my consideration of this legislation. The view that I put to this Council is that these issues of corruption, of the Mafia and of crime do not relate only to poker machines and poker machine legislation. One can pose the question about the Casino. In 1983, the same and a variety of other concerns were raised with members about the potential for crime, for corruption and for Mafia elements to get involved in the Casino for money laundering. Again, quite properly, those concerns are being raised in relation to this legislation.

The point I argue is that, in 1983, as a result of those concerns about crime and corruption, we did not just ignore them; we set about establishing such a stringent, regulatory and controlling mechanism for the Casino to try to ensure that we minimised the potential for any corruption that might exist. One can never argue that it will stop all corruption, but we can certainly do all we can to minimise the potential for it. I also argue: what about gambling on the dogs, the horses and, in particular, the trots? Some two or three years ago a colleague of mine made a number of claims in relation to corruption and criminal elements, some certain Mafia families and their involvement in the trotting industry in South Australia. Very serious allegations were made at that time, and this raised alarm bells within police and Government circles. There are many examples of existing forms of gambling such as the dogs, the horses, the trots and the Casino about which one can ask exactly the same questions in relation to crime, corruption and Mafia elements.

I think the question is: do we now seek to prohibit gambling on the dogs, the horses, the trots or to prohibit gambling in the Casino, because we are concerned about crime, corruption and the Mafia elements? Obviously the answer to that now is that they exist but, no, we do not. I do not think anyone within the Parliament seriously argues that we should close down the Casino or stop gambling on the dogs, the horses and the trots. I am sure that, if we were now confronting the issue of introducing betting on horses, dogs and the trots, many in the community would ask whether perhaps we ought also to prohibit gambling in those areas because of crime, corruption and the potential infiltration of Mafia elements.

The Hon. Peter Dunn: The Hon. Terry Crothers is very interested in your contribution.

The Hon. R.I. LUCAS: He is a captive vote. I now want to consider the relationship of the Wiese inquiry with the poker machines legislation. First, it is important to say that many of the important issues that this inquiry will have to confront—for example, Tandanya, Glenelg and other tourism developments—are not related to our consideration of this Bill. It is also clear that the inquiry has now been considerably delayed for a number of reasons: first, because of a decision taken by the Minister, the Attorney-General and the Premier, to delay for almost four weeks the announcement of an independent inquiry and, secondly, when the inquiry is established it will be delayed for a further period because of the much wider terms of reference that will have to be considered as a result of more recent allegations that have been made about Tandanya, Glenelg and perhaps, indeed, other tourism developments.

In considering my attitude to the poker machines legislation, I believed that I had to consider the possible results of any inquiry, and I had to factor those possible results into my thinking on this Bill. Although I have a personal view—but without prejudging the results of any inquiry—I want to consider some of the possible results, indicate how they have affected my thinking and how, indeed, they will potentially affect some of the amendments that I might seek to move in the Committee stages of the Bill. From my point of view, the critical question in the inquiry will obviously be the conflict of interest which the Minister had in relation to the gaming machines legislation.

I think the Minister has at least partially conceded that now and, clearly, the inquiry will need to consider the role of her partner in life, Mr Stitt, and the effect that his activities might have had on the decisions which she took, and the fact that she was involved in deliberations. The inquiry will also obviously have to canvass what knowledge other Cabinet members had of that association. The Minister has now indicated that, contrary to her original belief that a number of her colleagues were unaware that her partner in life was working as a lobbyist or a consultant, to use her word—

The Hon. Barbara Wiese: As a lobbyist. How many times will I have to say it, I wonder, before you people will listen?

The Hon. R. I. LUCAS: We don't believe you.

The Hon. Barbara Wiese: Maybe you don't.

The Hon. R.I. LUCAS: Well, we don't.

The Hon. Barbara Wiese: But you should believe the industry. The industry has told you exactly how he was employed. Are you calling the industry a liar?

The Hon. R.I. LUCAS: No, we don't believe you.

The Hon. Barbara Wiese: But the industry has told you how he was employed and why.

The Hon. R.I. LUCAS: We don't believe you; it's as simple as that.

The Hon. Barbara Wiese: The industry has told you.

The Hon. R.I. LUCAS: We don't believe you.

The Hon. Barbara Wiese: The industry has told you.

The Hon. R.I. LUCAS: We don't believe you.

The Hon. Barbara Wiese: You don't believe the industry.

The Hon. R.I. LUCAS: We don't believe you.

The Hon Barbara Wiese: You are calling the industry liars.

The Hon. R.I. LUCAS: We don't believe you.

The ACTING PRESIDENT (Hon. M.S. Feleppa): Order! The Hon. Mr Lucas will continue with the debate.

The Hon. R.I. LUCAS: Thank you, Sir. I would be delighted, if you can stop the squawking of the Minister on the front bench.

An honourable member interjecting:

The Hon. R.I. LUCAS: If the Minister will be quiet, we can get on with it. Regarding the activities of Mr Stitt and the knowledge of Cabinet members in relation to his lobbying or consulting—to use the Minister's phrase—for the industry, obviously that will be a key element of the inquiry, and there are obviously a number of potential findings which the inquiry could come down with and which would prove to be unfavourable to the Minister in particular. The flow-on effects of that, which, as I said, is the critical

question, are the possible financial benefits that the Minister received by way of money passing from Mr Stitt's other companies to Nadine Pty Ltd, the Minister's company that she shared with Mr Stitt.

Again, the inquiry will have to consider the question of what the Minister termed loans but which, by way of further questioning, we established had not been repaid. In fact, they were non-repayable loans, we would assume, and the claim by the Minister that she received no financial benefit will have to be considered. Again, if one looks at what might be a potential finding of the inquiry, certainly such a finding would be that, if one has received in one's personal company, Nadine Pty Ltd, a non-repayable loan which is meant to cover mortgages or maintenance and a variety of other costs, a finding might well be that the Minister did in fact receive a financial benefit—

The Hon. Barbara Wiese: And then again it may find that that is not so.

The Hon. R.I. LUCAS: It may; it may not—because, if the Minister did not have the benefit of receiving a non-repayable loan from another of Mr Stitt's companies which has been receiving money from the hotel and hospitality industry, then to pay the maintenance on the Minister's properties the Minister would have to have used, one would presume, her own money. Therefore, if one is receiving money in the form of non-repayable loans from another company to handle the maintenance and various other costs, that is one argument, but it is certainly very difficult perhaps to substantiate the Minister's view or claim that she received no financial benefit from those companies. That is one particular finding that might come down from the inquiry which I have had to consider in relation to the legislation.

Another possible finding could be that Mr Stitt and some related companies have benefited in a direct or indirect way from the introduction of poker machines in South Australia. I note the view that has been expressed by the industry that success fees are not allowable and will not be payable to any particular person on the successful passage of the legislation.

The Hon. Barbara Wiese interjecting:

The Hon. R.I. LUCAS: I would have thought that even the Minister would concede that we agree with some things and we disagree with others. I would have thought that even the Minister, with her limited grasp of this issue, would concede that. In relation to potential indirect benefits a variety of questions will need to be considered, in particular what amendments I might have to consider during the Committee stage. It may well be that certain companies which are associated with certain people have negotiated deals or guarantees in relation to maintenance contracts, monitoring and consultancy arrangements and other aspects of this legislation which might not be accurately portrayed as a success fee for the introduction of the legislation. That view has been put to me and to a number of other members of the Liberal Party, and that is something that needs to be considered. Again, without prejudging and saying that that will be a finding of the inquiry, that is obviously something that might be a finding of the inquiry and again in my consideration—

An honourable member interjecting:

The Hon. R.I. LUCAS: I accept that. Again, that has to be a consideration as to how I treat the Committee stage of this Bill and what amendments might have to be moved to ensure that certain persons do not benefit in that indirect way.

The Hon. Barbara Wiese: So you are going to exercise a conditional conscience? That is a very interesting concept.

The PRESIDENT: Order!

The Hon. R.I. LUCAS: Mr President, at least I have a conscience, which is perhaps something that—

Members interjecting:

The PRESIDENT: Order! The honourable Mr Lucas has the floor.

The Hon. R.I. LUCAS: —could be debated about the Minister. In relation to the denial about a success fee, we will certainly need to check the clauses of the legislation to ensure that they are watertight and that no success fees can, through some back door, be payable to people who might have been successful in bringing about the legislation. In relation to the indirect benefits, one of the elements that I intend discussing with the industry and with others is whether or not we need to tighten the legislative controls to ensure that that cannot occur as well.

A number of other issues have been put to me which may or may not be findings—I accept that—of an inquiry into the Minister's potential conflicts of interest. Views have been put to members of Parliament that if the Lotteries Commission type of amendments are successful one particular manufacturer stands to gain significantly by getting either all or the vast majority of the contracts in relation to the manufacture of poker machines. The converse also has been put to me that, if the Independent Gaming Corporation model is successful, a rival manufacturer may well pick up the lion's share of the poker machines that are sold in South Australia. On the surface of it I find that hard to envisage, but it is certainly a matter that I intend to explore in Committee.

The other view that has been put to me, and which again I intend to explore with the industry and during Committee, is the view that under the Independent Gaming Corporation model it is likely that a number of manufacturers will share the spoils, I guess, of being able to provide a signficant percentage of the poker machine market in South Australia. I have been considering the possibility of amendments to ensure that no one manufacturer is able to substantially dominate the offerings of poker machines in South Australia. I concede, at least from my initial discussions, that there are some difficulties with that proposition, so I am not sure whether or not I will have an amendment in that form when we reach the Committee stage in two weeks time.

The other story that has been relayed to me is that, whilst the offering of poker machines may be shared between a number of manufacturers, if the Independent Gaming Corporation model is successful one particular company will get 100 per cent of the maintenance contract in South Australia. Indeed, that view was put to me by a group which was interested in tendering for the maintenance contract and which made its own inquiries. The view it put to me was that the deal had been done (to use its phrase, not mine) and that a particular group was to get 100 per cent of the maintenance contract, and that the maintenance contract is the critical contract because they are the people who are there on a continuing basis servicing the machines and are able to leave their leaflets to guide the hotel and club industry in any future or subsequent purchases of gaming machines down the path of that particular manufacturing company.

I am having discussions as to whether or not it is practical to introduce an amendment to ensure that, if a deal has been done—and I do not suggest that it has—there is some sharing of the maintenance contract between a number of companies rather than allowing one company to monopolise or to control the entire maintenance contract. Again, that is a further measure of control that I believe that we, as a result of what might be a finding of the Wiese inquiry, in

our consideration of the legislation, and perhaps in looking at the worst possible cases, need to consider to ensure that we have stringent controls so that whatever the worst possible scenario might be we have incorporated in this legislation controls to ensure that those sorts of abuses cannot be allowed to be successful and certainly cannot be allowed to continue.

A number of other areas in relation to the potential findings of the Wiese inquiry have been put to me, but it would not be prudent at this stage to put them on the public record. They will be made known to the independent inquiry when it is established. I am aware, and I believe a number of other members are aware, of some of those suggestions and, in a responsible way, I believe that they should be catered for by way of specific amendment when we debate the Bill in Committee.

The last general area that I want to address is the nature and shape of the Bill and the controls in it. I do not intend to address all the details of the Bill, but I do want to address the structure of the Bill and one or two major issues in relation to control and regulation.

I believe that there has been a major misunderstanding by some people about the nature of the controls included under this legislation. Some people have reduced the argument to one of Government control versus self-regulation, but in my view and on my reading of the legislation that is simply not so. None of the options being considered involves self-regulation as we understand the term. Perhaps, with hindsight, the name 'Independent Gaming Corporation' was unfortunate in that the use of the word 'Independent' has raised the spectre of self-regulation by many who are concerned about the poker machine debate and who, seeing the word 'Independent' and seeing that it comprises industry representation, have not looked beyond the word 'Independent' and have argued, therefore, that it is self-regulation.

Under the provisions of the Bill, from my viewpoint, the control system is quite clear and simple. The Independent Gaming Corporation—if it is successful in obtaining the licence—will be the body that monitors the network of poker machines throughout the hotels and clubs of South Australia. I guess somewhere in Adelaide there will be a room or series of rooms where a number of persons employed by the Independent Gaming Corporation will be monitoring and controlling the operation of poker machines in hotels and clubs throughout South Australia.

In that same room will be staff from the Liquor Licensing Commission. So, it is not just employees of the Independent Gaming Corporation, the private sector, who are there monitoring what is going on in those computer terminals throughout South Australia and perhaps getting up to mischief, but with them for 24 hours a day or for whatever period that room will operate will be staff of the Liquor Licensing Commission. The Liquor Licensing Commissioner has a very important regulatory role in relation to the proposed operation of poker machines in South Australia.

The Liquor Licensing Commissioner will grant licences such as the gaming machine licence, the gaming machine dealer's licence, the gaming machine monitor's licence and the gaming machine technician's licence. He will approve managers and employees subject to the appropriate police checks; will approve all machines and games; will approve the transfer of any licence; will instigate disciplinary action against licence-holders; will review decisions to ban players; will collect monthly returns; will approve terms and conditions of machine purchase; will approve premises, the location and number of machines; and will monitor all outlets via the holder of the machine monitor's licence.

So, the Liquor Licensing Commissioner and his or her staff play the critical regulatory or controlling role in relation to the operation of poker machines. Attached to that, of course, is the critical role of the Commissioner of Police and the police, who will assist in the enforcement of the Act, in addition to the Liquor Licensing Commissioner; who will conduct in cooperation with the Liquor Licensing Commissioner record and profile checks of all people engaged in the industry; and who will make representations to the Casino Supervisory Authority, the Liquor Licensing Commission and the appropriate Minister on any issue affecting the conduct of licensees.

The third element of Government or public control is the Casino Supervisory Authority, which will hear and determine appeals on decisions of the Liquor Licensing Commissioner and, at ministerial direction or of its own motion, will inquire into any aspect of the industry and report to the industry. So, what we envisage in this Bill is the private sector, through the Independent Gaming Corporation, in effect, running the computer system or the monitoring authority in a room somewhere in Adelaide, and that is what it does.

On top of that, we have significant layers of Government control through the Liquor Licensing Commissioner, the Police Commissioner and the Casino Supervisory Authority. So, it is not a model of deregulation or of the private sector running itself. It is a model of the private sector doing one particular task with legislative control which, in large part, we as members in this Chamber and another will dictate. Hopefully, we will do a good job this time, but we will bring back the legislation and tighten those controls if there are any problems in the future.

But it is a model of Government control and regulation, not of industry regulation, self-regulation or, indeed, deregulation. Compare that model with the model that exists in the Casino, because it is very similar. At the Casino we have employees of the private sector, some 20 or 22, I am told, in the surveillance room. The surveillance room is the equivalent of the monitoring room, the computer control system. Of course, the Casino has other control systems as well, but they monitor the gaming operations of the Casino.

It is the private sector that employs those people, but attached to those 20 or 22 private sector employees and subject to all the controls placed on employing those people (the police checks, etc.), are some eight to 10 staff of the Liquor Licensing Commission. They have their own surveillance room, I am told, perhaps not as plush, lavish or big as that inhabited by the 20 Casino staff, but it is their own surveillance room that was built by the Casino. The Liquor Licensing Commissioner's staff have unimpeded access to the surveillance room and to the operations of the Casino. So, there are not just private sector employees at the Casino: you have Government controls through the Liquor Licensing Commission peering over their shoulder 24 hours a day to make sure that they do not get up to mischief. I am not suggesting that they would, but there is Government control.

Superimposed on that, obviously, we have the role of the Police Commissioner and of the Casino Supervisory Authority. Under this Bill we are talking about a model very similar to that which has worked successfully at the Casino. It is not self-regulation or deregulation: it is significant and stringent Government regulation and control dictated by the Parliament of the day. In this case, I say again, the control in the poker machine legislation will be dictated

by what we put in the legislation now or at some future stage.

The alternative model that has been pushed by the Lotteries Commission, the member for Hartley and the Premier, as I understand the package of amendments, has been simply to replace the monitoring authority, the Independent Gaming Corporation, with the Lotteries Commission. As I understand their model, instead of having Independent Gaming Corporation staff sitting in a little room in Adelaide, there will be Lotteries Commission staff, but there will still be Liquor Licensing Commission staff looking over the shoulders of the Lotteries Commission staff, in this case, and there will still be the Police Commissioner and the Casino Supervisory Authority.

My understanding of the amendments proposed by the member for Hartley and the Premier is that the Independent Gaming Corporation is simply replaced by the Lotteries Commission. Again, I repeat that we are not looking at the goodies and baddies here. We are not looking at self-regulation, *laissez faire* politics and economics or letting the industry do what it wishes by controlling itself as opposed to Government control: rather, with this Bill we are looking at Government control and regulation with the Independent Gaming Corporation having a potential role in regard to monitoring.

As I said, I believe that there has been some misunderstanding of the control mechanisms in the Bill. I want to refer to some of the information that the Commissioner of Police has offered to members for their consideration. Some correspondence was provided to us in February and March of this year. In regard to the February correspondence, the Commissioner of Police stated:

> The regulatory authority, the Casino Supervisory Authority, is therefore recommended as the most appropriate to be given responsibility for the key regulatory role instead of the Independent Gaming Corporation.

The point that I make is that there is no regulatory or controlling role for the Independent Gaming Corporation. My humble contention is that the Commissioner has a fundamental misunderstanding of the Bill before the Parliament at the moment and, indeed, the Bill that was being considered by the Commissioner in February of this year. The Independent Gaming Corporation has no role in regulation and, as regards the monitoring of machines, the view that I put—and I know it was a view that was put also by the Minister of Finance in another place—is that the last group of people to whom we should think of giving the monitoring role is the Casino Supervisory Authority, because that authority is, in effect, the appeal tribunal. The Casino Supervisory Authority is the body one goes to if one is unhappy with the Liquor Licensing Commissioner's decisions. The Liquor Licensing Commissioner makes all these decisions about who gets machines and licences and, also, the forms of controls. The Commissioner regulates the industry on behalf of us, the Government, and everybody.

If one is unhappy with the decision about that, one goes to a court—the Casino Supervisory Authority—and says, 'I disagree with what the Liquor Licensing Commissioner is doing.' If there is to be a court—the Casino Supervisory Authority—why on earth would it be suggested that the Casino Supervisory Authority ought to be the body back in that little back room in Adelaide, wherever it is, monitoring in a hands-on fashion what is going on within the industry? There is a fundamental conflict between the two roles—between the monitoring in a hands-on fashion (whether that is done by the Independent Gaming Corporation, the Lotteries Commission or the Independent Gaming Corporation) and the view that the Casino Supervisory Authority is, in effect, an appellate body. If there is a problem with the Liquor Licensing Commissioner's decisions, one appeals to the Casino Supervisory Authority.

A number of other areas in the submissions to us by the Commissioner of Police I think, perhaps in a less clear way than the one I have mentioned, indicate a fundamental misunderstanding of what we have before us at the moment. That is unfortunate. I make no vindictive or bitter criticism or the Commissioner of Police, because I am the first to concede that it is pretty easy to misunderstand legislation—I have been doing it for nine years and will probably continue to do it for a number of years yet. However, the unfortunate aspect is that the Commissioner of Police is a man of integrity and represents, I suppose, an impartial umpire's view on the controls that are required for the industry and his views carry very great weight. His views have been reported widely in the media and freely quoted by members of Parliament in the debate on the legislation. So, they have been influential in forming views in the Parliament and in the community on the legislation before us. As I say, I make no personal or vindictive criticism of the Commissioner of Police, but I say it is unfortunate and it is but one example of some of the misunderstandings by the community about the content of this Bill.

If the Police Commissioner can make an honest mistake in interpreting the legislation and the controls, quite clearly the churches, lobby groups, journalists, reporters and the 2 001 people who have tried to telephone me today or over the past 48 hours in relation to my attitude to the poker machine legislation could make the same mistake. I have, in no uncertain fashion, put on the public record my views about that misunderstanding and indicated that I believe that it needs to be publicly corrected. To be fair to the Police Commissioner—and I do want to be fair to the Police Commissioner—his last piece of correspondence sought in part to redress the imbalance. He still repeats the misunderstanding in the early part of his 4 March letter but, in the last two paragraphs, he does seek to redress the situation. His letter states:

> In so far as the section of my previous report headed Concerns and Solutions is concerned, I confirm that it is advisory in nature in an all encompassing sense and does not infer defects in the Bill.
>
> The Liquor Licensing Commissioner agrees with the majority of those safeguards and together we acknowledge that most of the solutions have already been catered for in the Bill. The remainder may easily be achieved by regulation or administrative direction.

One needs to look at the previous correspondence from the Police Commissioner to see what his concerns and solutions were back in February, because he is now saying that he and the Liquor Licensing Commissioner agree with the majority of the safeguards. We believe that most of the solutions that he recommended in February have already been catered for in the Bill.

The February correspondence lists 11 problem areas and 11 solutions—and I will not go through the solutions. The sorts of concerns that the Police Commissioner had are: first, corruption of those responsible for regulating the industry by manufacturers or agents; secondly, undisclosed criminal interests; thirdly, criminal associations; fourthly money laundering and State/Federal tax evasion; fifthly, payments of secret commissions; sixthly, illegal industry; seventhly, theft or fraud by technicians; eighthly, inadequate machine security; ninthly, machine manipulation; tenthly, fraud, theft, tax evasion from machines; and, eleventhly, fraud or theft on licensed premises. For all those concerns that the Commissioner stated in February, he has listed the solutions that he thought were required in legislation. I repeat for members and for those to whom I will send a

copy of my speech that in his 4 March correspondence, the Commissioner stated:

> The Liquor Licensing Commissioner agrees with the majority of those safeguards and together we acknowledge that most of the solutions [to those concerns] have already been catered for in the Bill. The remainder may easily be achieved by regulation or administrative direction.

That critical paragraph needs to be absorbed by all who want to debate the concerns about criminality, corruption and Mafia elements in relation to poker machines. Consistent with the Liberal Party view, we will argue, as much as possible, to incorporate those further controls within the legislation. We are not comfortable about administrative directions unless we have to be. We would like to incorporate and to further toughen up the controls within the legislation. Again, we would prefer to see more in the legislation and less in the regulations, although we concede that in being sensible much will have to be done in the regulations. However, at least every member of Parliament would have the right to seek disallowance of those regulations if they so chose. Of course, every member would have the right to seek to amend and further toughen in future the legislative controls in the Act if they wanted to do that as well.

I am considering another amendment, again in the area of trying to remove monopolies and of ensuring appropriate divisions between the various authorities and bodies and licences. One of the amendments that I will consider in the Committee stage will be to ensure that whoever wins a monitor's licence under the Bill will not be able to have a dealer's licence under the legislation. So if, for example, the Independent Gaming Corporation is successful in winning the monitoring licence, my amendment will mean that the IGC would not be able to have a dealer's licence. I intend to have further discussion with interested parties and members on that amendment to see what support there might be for it, what strengths there might be with it and what arguments there might be against it. I give it only as an example at the conclusion of my remarks at the second reading to indicate that I will look for further controls to be included wherever possible within the legislation.

Whilst I disagree with the Hon. Mr Feleppa's control mechanism in relation to the Lotteries Commission, I know that he has a genuine view that I share about ensuring that there are stringent controls to prevent criminality, corruption, vested interests and monopolies being allowed to flourish under the legislation. I indicate my preparedness to work with all my colleagues and other members in this Chamber in coming to a common position on some of those controls that I or other members might suggest.

In summary, it is a simplistic notion to suggest that the IGC model is bad and that the Lotteries Commission model is good, that we have simply the goodies and the baddies in this debate. Neither I nor, I believe, any member can give a guarantee that there will never be, if the IGC model is adopted, future examples of corruption or criminality within the IGC or the industry.

It would be foolish and foolhardy for me to argue that position at the moment, and I do not want to be in a position in five years where someone says, 'You said that this would be all right' if we find that there is a particular problem. I will argue at this and any other stage that exactly the same lack of guarantee can be given about any other model or proposal that can be advanced. If the Lotteries Commission model was to be successful, neither I nor any other member could give any indication that that organisation or members of its staff would not come up with isolated examples of corruption or criminality within it. Equally, neither I nor any member can give a guarantee that the Police Force or perhaps, as we have seen in other States, the Police Commissioner will not give us examples of corruption and criminality with our regulatory authorities and, indeed, I cannot give guarantees with regard to the Liquor Licensing Commissioner—I make no criticism of the current Liquor Licensing Commissioner or of his or her staff—or the Casino Supervisory Authority.

We have to accept, as we have seen Police Commissioners go down the gurgler in other States, that it is possible in any of our regulatory, controlling or licensing authorities that corruption or criminality can exist. In my judgment we must establish the most stringent controls and regulations in relation to any new industry or new body that might exist. That is certainly my attitude in relation to the opertion of the Independent Gaming Corporation.

I indicate my support for the second reading of the Bill, although I will be considering and moving a range of amendments along the lines I have canvassed. I reserve my position on how I might vote at the third reading, subject to the passage of certain amendments or debate in Committee.

The Hon. BERNICE PFITZNER: My contribution at this late hour will be short. It is with concern that I debate this Bill. We are torn between the right of the individual to be entitled to a freedom of choice and the requirement and need of the community to be protected from the gambling addiction of some members of the community. We all have experience of some sort of gambling, if not directly then indirectly. Growing up in Singapore I recall the one-arm bandits in the different clubs where we went each Sunday as a whole family. I recall a certain aunt of mine who was particularly keen on the machines and she used to play them for hours on end. As children, we were given 20c pieces to have a game, and children were allowed. It was exciting and it was fun. I remember that I enjoyed myself with a little flutter, as they call it, now and then. It was not the focus of our activities, but it provided some additional interest to the family. On reflection, it was because there was self-discipline in the activity that made it so acceptable.

However, I have also experienced the gambling addiction of a close relative. The gross amount of funds that are lost, the helplessness of the person and the despondency of the family. This experience has a very sobering effect when debating gambling. So, I do not have the comfort of being able to justify whether the gambling activity was good or bad. From this background I look at the issues related to gambling in depth and to gambling with the pokies in particular. The issues can be categorised into three main areas: first, the criminality of it; secondly, the morality and right of the individual; and, thirdly, the impact on the community.

As far as criminality is concerned, the most controversial issue is the control of the gaming activity; that is, the monitoring licence. Should it be a private group like the Independent Gaming Corporation or should it be a Government agency like the Lotteries Commission? Which one would be less corruptible? It is difficult to say. Again, regarding machine distribution, the Police Commissioner has been particularly concerned about the suppliers and dealers of the poker machines and recommends that they should be quite separate for the hotels and clubs. The Police Commissioner suggests that this separation is best achieved by the Government owning the machines so that no 'special deals' can be forged. Other details to be looked into are the sharing of the profits and machine numbers in each premise.

All these transactions are prone to corruption and preferential treatment. Although I have been most uncomfortable with the process of targeting the Minister of Tourism

in an effort to find out the real situation, this scenario has not helped in engendering any confidence in a safe, secure and incorruptible system. Perhaps in this area, knowing human nature, it may be naive to expect a squeaky clean system. As far as morality is concerned, it did not figure highly in my own experience. However, I am aware that, in the general Christian community, gambling is frowned upon.

The right of the individual is important, but at times this right conflicts with the protection not only of the individual but of the individual's family. We may be very permissive with our remarks and say that the individual should look after himself, should have his or her own self-discipline and that we are not our brother's or sister's keeper, but when it impinges on families and, in particular, children, this causes me great anxiety. If an individual is unable to have self-control and, worse, if he is addicted, the economic loss will spill over into the family with the resulting hardship and suffering.

So, who will these pokies benefit? I suppose the Government, which is now dead broke; I suppose the businesses directly involved in the setting up of the system; I suppose tourism and the flow-over into supporting services; and the right of the individual to do his own thing. What are the detractions? They are, I suppose, the fears of criminality and corruption; social degradation to a sector of the community; and enhancing the opportunities for addiction and the resulting degradation. If we were all self-disciplined and, if we had a system whereby those unable to correct themselves could be supported and take advice elsewhere, there would be no difficulty in voting for the Bill. However, that is not the system provided either by Government or by the Australian culture. We must listen carefully to the amendments put in Committee to ensure further safeguards before we can say 'Yes'. At this present moment, I support the second reading in the hope that the Bill will improve, but I reserve my right to vote separately at the third reading.

The Hon. PETER DUNN secured the adjournment of the debate.

SUPPLY BILL (No. 1)

Adjourned debate on second reading.

(Continued from 14 April. Page 4240.)

The Hon. BARBARA WIESE (Minister of Tourism): I rise to support the second reading of the Bill. In doing so, I will refer to the performance of South Australia's tourism industry and the role played by Tourism South Australia in promoting and assisting the industry. I will also refer to the ill-informed contribution to this debate made by the Hon. Diana Laidlaw. Before I deal with the very few issues of any real substance raised by the honourable member, I want to record my agreement with at least the first part of her speech, a speech which soon became a rambling monologue about not very much at all. At the outset she said that tourism has come a long way in the past 10 years. I am pleased that the honourable member recognises that. Again in her words, much has been achieved in tourism in this State in the past 10 years. One of the reasons that I take such heart from these remarks is that I have been the Minister responsible for tourism for seven of those 10 years of achievement to which the honourable member so enthusiastically refers.

South Australian tourism has grown from a $800 million per year industry with a 26 000 strong work force in the early 1980s to one that is now worth $1.6 billion per year and sustains more than 30 000 jobs. Both those figures are expected to double by the end of the decade. The Hon. Diana Laidlaw even gave us a list of achievements. It was a lengthy list and highlighted some of our best accommodation properties, as well as the Casino, the Convention Centre, the International Air Terminal and improved air services.

It alluded to new industry associations, and upgraded education and training arrangements. These are all important initiatives and worthy topics of conversation on the cocktail circuits around which the honourable member regularly ambulates. I am bound to observe that it was also an incomplete list. I can add extensively to that list of achievements, and it is only right and proper that I do so.

The honourable member deserves a much better understanding of the contribution that the Government, I as Minister and the staff of Tourism South Australia have made to the cause of tourism in South Australia over most of the past decade. I begin by adding to the honourable member's list such projects as Lincoln Cove Resort at Port Lincoln, the Visitor Interpretive Centres such as Lady Nelson Park at Mount Gambier, Wadlata in Port Augusta and Signal Point at Goolwa. I would add the Grand Prix and the tourist railway attractions based in Quorn and Peterborough and SteamRanger's operations from Adelaide and along the South Coast. I would not overlook the redevelopment of heritage precincts in places such as Port Adelaide, Burra, and the Moonta mines or the museum and cultural precinct along and adjacent to North Terrace.

Tourism South Australia has been instrumental in a program of infrastructure development in South Australia. During the past 10 years the Government has allocated $6 million to this scheme, most of it matched by local council expenditure to tourism projects across the length and breadth of this State from scenic lookouts in the Flinders Ranges to airport terminals in Mount Gambier and Port Lincoln, from highway welcome signs at the State's borders to tourist drives in the Clare Valley and the Riverland.

I could give the honourable member many more projects and achievements to think about as well, but there is a more important point that I want to make, namely, that this substantial and generally successful program of tourist development activity has not been haphazard. It has not been uncoordinated and unplanned. In fact, our tourism growth has been guided by a joint industry and Government plan which sets the directions and provides a framework for balanced and realistic tourism development in South Australia.

Here again, South Australia has shown the way. No other State in Australia has planned for tourism growth in the way in which we have. In fact, in some States where many mistakes have been made through ad hoc development, and so forth, they are only now beginning the process of asking what sort of tourism industry they really want. Under the auspices of the present plan—and I have now been involved with the past three such plans—we are currently implementing key strategies relating to each of Tourism South Australia's main program areas.

On the marketing front we are continuing with the South Australian 'shorts' promotion, the most successful promotion of its kind that Tourism South Australia has ever undertaken. South Australia was the first State in Australia to recognise the trend for people to take short breaks more frequently. Other States have since followed our lead, but no other State has a 'short' breaks campaign as big or as sophisticated as that run by Tourism South Australia.

We are about to launch an interstate advertising campaign which builds on the interest and awareness of South Aus-

tralia, initiated last year through the creative utilisation of the rotunda in Elder Park. We will continue to negotiate for more international flights to Adelaide. Presently, seven scheduled airlines operate 32 flights in and out of Adelaide each week. All but three of these airlines have commenced their services to Adelaide since July 1989, and an eighth, Cathay Pacific, will begin weekly services in October this year.

Our overseas operations are becoming more aggressively focused on obtaining additional customers for our tourism businesses. In this regard, I can inform members that the Hon. Ms Laidlaw has been very badly advised about the reaction of the New Zealand travel trade to the proposition that Tourism South Australia may help establish a South Australian retail presence in Auckland. Her outburst in this place regarding this proposal was completely without foundation, as the major travel wholesalers in New Zealand, as well as in Australia, have expressed very positive support for it.

Members interjecting:

The PRESIDENT: Order! The Council will come to order. Members have had an opportunity to enter the debate. The Minister is concluding.

The Hon. BARBARA WIESE: We are planning for airline deregulation of the Tasman now, not waiting for the world to pass us by. Tourism South Australia and I have worked very hard to win the inaugural Cathay Pacific flight direct from Hong Kong to Adelaide, which will open up the very important north Asian market for South Australia. The commencement of this service in late 1992 will be supported by a cooperative marketing campaign between Cathay Pacific, the Australian Tourist Commission and Tourism South Australia.

I am taking a close look at our operations in Asia with a view to being much more active in product development and in sales oriented in our particular niche markets. We could well see a change in our overseas operations in line with this more aggressive stance. Over the next decade, Australia's international visitor numbers are expected to grow by between 8 and 11 per cent a year. On these projections, international visitation will outstrip our domestic tourism early in the new century, so it is crucial that we lay the groundwork for that now.

Late last year I instigated a progressive review of all our overseas offices and, as a result, our marketing efforts are becoming more focused on particular niche markets. Our recently produced brochure in the United Kingdom has received wide acclaim, and a cooperative venture with Kuoni, one of Europe's largest wholesalers, will commence in June this year. We are also planning a number of cooperative marketing campaigns with other States and the Australian Tourism Commission to take advantage of the recently increased ATC budget.

The announcement of increased charter flights to Adelaide, particularly the Royal Brunei service in August this year, is testament to the success of our efforts in marketing South Australia overseas. We will be allocating increased levels of funding from now on to a variety of other cooperative marketing schemes giving the tourism industry more widespread opportunities to participate beneficially in Tourism South Australia-led advertising, trade and consumer promotions and product packaging arrangements.

TSA is also currently running its biggest ever familiarisations program where journalists, photographers, film, television and radio crews, as well as tour operators, wholesalers and retailers are brought on hosted visits to this State to see our attractions first-hand. The editorial and publicity exposure across the nation and across the world which results from these visits is invaluable and a credit to the many tourism businesses around South Australia that are active participants in the scheme. Perhaps they are the ones who have seen the video to which the honourable member so disparagingly and ignorantly referred and have seen for themselves the benefits of being involved.

Those benefits include the articles that have appeared in the *Sydney Morning Herald*, Melbourne *Age* and the Brisbane *Courier-Mail*, and internationally in newspapers such as the *New York Times*, the London *Evening Standard*, the South China *Morning Post*, the Hong Kong *Standard*, the *Los Angeles Times* and *Le Monde*. They also include television programs such as the ABC's *Holiday* show, *Good Morning Australia*, the *Today* show and *Floyd on Oz*. There are magazine articles in US *Time*, UK *Harpers and Queen*, and *More* magazine in Japan. There are Lufthansa in-flight videos and Qantas in-flight magazines. These are all examples of the coverage being given to South Australia's tourist destinations as a result of TSA's promotional tours scheme. It is estimated that, in the past 12 months, such coverage has resulted in the equivalent of $6 million worth of free publicity and promotion for this State.

I turn to the planning and development side. Tourism South Australia is bringing the strongest possible tourism perspective to the Government's interdisciplinary policy and planning studies covering regions such as the Mount Lofty Ranges, the Barossa Valley, the metropolitan coast and the city of Adelaide itself. It has made a significant contribution to the Adelaide planning review and is pursuing a vigorous program of working with local councils to produce properly researched regional tourism plans. By encouraging councils and local communities to plan ahead for tourism growth, it should be possible to avoid some of the uncertainty and controversy that has emerged around some tourism development proposals in the past. Obviously we have had to revise our development strategies in the light of the economic recession. Financiers and investors are now much more cautious about their risk exposure. Investment funds are nowhere near as forthcoming as they were during the years of the property boom.

Tourism South Australia is certainly not alone in feeling the impact of the recession on its ability to attract investors to the tourism industry, and I readily admit that even where we had previously found a developer in many cases this has not yet translated into physical product. Unlike the honourable member sitting opposite, I do not have the luxury of simply heaping scorn on the efforts that are being made to get these projects off the ground. In fact, officers of Tourism South Australia and I—

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The Hon. Ms Laidlaw has had the chance to debate.

The Hon. BARBARA WIESE: —must spend an unhealthy amount of our time reassuring potential developers that they are welcome in South Australia, because all they ever read and hear about South Australia is opposition to development as expressed by the conservation movement, which is aided and abetted by members of Parliament such as the Hon. Ms Laidlaw.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: Well, if people like you would support some of the developments that are proposed—

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: —in this State we might get a few—

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The Council will come to order. The honourable Minister will address the Chair and the Hon. Ms Laidlaw will cease interjecting.

The Hon. BARBARA WIESE: As to the developments that were already proposed, wherever appropriate the assumptions on which they were originally put forward are being re-examined. Efforts are being made to bring them up to date and to provide as much help and assistance as possible to these projects through infrastructure support and planning advice. I am confident that the efforts that are being made along these lines will be rewarded. I am also encouraged by the recent measures that have been outlined in the Prime Minister's One Nation statement, which will provide depreciation, tax breaks and other financial incentives to promote investment in this country.

In some important respects the recession has hit our travel and tourism industry harder than has been the case in some other States. The decline in the rural sector, for example, where South Australia is particularly exposed, has had a pronounced effect on travel by country South Australians and business-related trips to country areas. However, none of this is meant to suggest that I go along with the honourable member's half-baked interpretation of the tourism statistics that she recently presented in this place.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The Hon. Ms Laidlaw will cease interjecting.

The Hon. BARBARA WIESE: Sir, the honourable member began by presenting a table containing the official estimates of trips taken by Australian residents to the various States and Territories. She glibly and, as it turned out, mistakenly refers to South Australia as being the only State to have experienced a reduction in the number of trips in 1989. In fact, when I look at the table, which actually was expressed in financial years, I see that the South Australian figures were up in 1988-89 while those for New South Wales, Victoria and Western Australia were down. What about the recession-influenced figures for 1990-91? The honourable member again suggested that South Australia was the only State to take a drop in 1990-91, but the table shows clearly that, far from South Australia being the only State to record a decline, New South Wales, Western Australia, the Northern Territory and the ACT were in a similar situation. So, where does that leave the honourable member's credibility?

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The Hon. Ms Laidlaw has had the opportunity to enter the debate.

The Hon. BARBARA WIESE: Sir, the honourable member then wrongly states that South Australia experienced a negative average growth rate in domestic travel volumes between 1984-85 and 1990-91. She makes much of the suggestion that we were the only State to record a decline at that level. Nothing could be further from the truth. Her own table of statistics shows that domestic trips in South Australia in fact increased between the years to which she refers. The honourable member's appalling lack of numerical skills have let her down again. Sir, I will not dwell on the other conclusions that she went on to draw from her assessment of South Australia's domestic visitor-night figures over the period concerned.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The Hon. Ms Laidlaw.

The Hon. BARBARA WIESE: Sir, it is enough to say that, for every selective time period which the honourable member was eventually able to correctly manipulate to show South Australia in the worst possible light, I could produce a whole range of much more positive alternatives for her to take on board. I will make one other observation to the honourable member about her statistics. I draw her attention to the fact that, despite all the bicentennial partying in the Eastern States during 1988 and into 1989, and despite the boom in Queensland's tourism fortunes during the late 1980s, we have still held onto our share of the national travel market over that whole period. That seems to me to be a very good achievement for our tourism industry. During the past six years the growth in the number of trips by interstate visitors to South Australia—

Members interjecting:

The PRESIDENT: Order! Members will come to order and cease interjecting.

The Hon. BARBARA WIESE: —has been double the national average, and growth in interstate nights spent in South Australia has been better than the national average. The honourable member then made a predictably similar botch up of interpreting the international statistics. Not content with getting her numbers and time periods completely wrong once again, she then made an extraordinary connection between the number of overseas tourists who come to South Australia and our share of the Australian population. What does she imagine that this link should be? Should perhaps somehow—

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The Hon. Ms Laidlaw.

The Hon. BARBARA WIESE: —the people of South Australia be pairing off, one on one, with an overseas tourist and singing a duet? Is that what she wants? Does she want to say to all those visitors heading off to places like the Barossa Valley and the Flinders Ranges, 'Stop, come back, you are not synchronised with those populations'? How ludicrous—

Members interjecting:

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

The Hon. BARBARA WIESE: How ludicrous to suggest, because it is on the same type of simpleton level—

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The Hon. Ms Laidlaw will cease interjecting.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order! Members will cease interjecting.

The Hon. Diana Laidlaw interjecting:

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

The Hon. Diana Laidlaw interjecting:

The Hon. BARBARA WIESE: It is not at all—

The PRESIDENT: Order! The Council will come to order. The Hon. Ms Laidlaw, I am warning you. You had the opportunity to enter the debate previously, and I request that you listen to the answer in silence to the conclusion of the debate. I have warned the Hon. Ms Laidlaw once. The honourable Minister.

The Hon. BARBARA WIESE: Mr President, the comments made are on the same kind of simpleton level as saying that the State's mining production or the number of fish we catch should also be equated with our share of the national population. What kind of notion is that? What is worth highlighting from the international visitor statistics presented is that the number of visitors and the nights they spent here increased by an annual average of 14 per cent and 15 per cent respectively between 1984 and 1990. Again, I believe that is a very good result.

On those figures, I think the tourism industry in this State can be congratulated, but I want to make the point that I do not share the honourable member's preoccupation with what the situation might have been in other States, because

I am not so much concerned with what is going on elsewhere as I am with getting on with the job of creating the kind of tourism in South Australia that we ourselves want.

The Government as a whole is committed to balanced, regulated and, therefore, sensible growth in tourism. We are looking to encourage the development of those tourism projects which are of an appropriate scale and character, which are suited to the market and which are based on sound research. That is why we have maintained and will continue to maintain an effective planning emphasis within Tourism South Australia's operations. These are the functions that the Hon. Ms Laidlaw says we should be cutting down on or getting rid of. Presumably, she would rather it was just open season on tourism development in South Australia, with no consideration about the kind of tourism industry that we want in 10 or 20 years.

The honourable member refers to a forecast of 350 million tourists around the Mediterranean coast by the year 2021. She apparently sees this as some kind of light on the hill for us in South Australia. Quite frankly, this sort of vision would scare me to death. The honourable member obviously has no understanding of community sentiment in this regard and of the work that Tourism South Australia is doing to give us the right kind of return from the right kind of tourism into the future.

Instead, she concentrates her attention on some of the more petty issues, the occasional examples of human error when the odd brochure is printed containing inaccuracies—

Members interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: —and the minority of operators who criticise the efforts of Tourism South Australia, whatever it does. I should like to think that Tourism South Australia could be perfect in everything it does and that 100 per cent of operators would always agree, but that is unrealistic. What I aim for is vast majority support and success in the work that is done. On the whole, I believe that that is what we achieve.

The honourable member has attempted to make much of the occasions on which there are differences. She probably sees this as her job. I do not consider this to be a constructive approach. It is important to keep the longer-term strategic view of our progress in mind whilst still paying attention to daily detail. If elements of the tourism industry have problems, they know that they can come to me and I will do what I can to sort them out, as has been my practice during the years that I have been Minister of Tourism. Meanwhile, I will get on with the task of building a tourism platform for South Australia, which will help us see South Australia come out of the recession in the best possible shape to take advantage of the opportunities that present themselves in the years ahead.

Of course, there will never be enough money to do all the things we would like, and I will continue to argue through the GARG process, as the honourable member observes, or in any other forum, for that matter, for the tourism industry to be given a better financial cut from the State budget.

However, the fact remains that the Government has increased TSA's budget very significantly in recent years. In 1987-88 TSA's total budget was under $10 million; this year's allocation of $17.4 million represents an increase of over 75 per cent in four years. In 1987-88 TSA spent $6 million on its marketing programs, and the equivalent budget figure for this year is $12.7 million, a 112 per cent increase. I am extremely proud of the budget increases that I have fought for and won for the tourism industry, and members can be certain that I will be fighting for more in the future.

I firmly believe that tourism has the potential to produce enormous additional benefits for our community, including much needed job creation but, in the face of an extremely competitive national and international tourist arena, progress will not come easily and we will need to work extremely hard even to maintain our existing share of the business available. If we are to achieve real growth in travel and tourism and if the tourism and hospitality industries are to become ever bigger job creators for South Australia, we must have clear objectives and a concrete strategy.

A major part of that strategy will involve a continuing commitment by the Government to provide direction, leadership and sound policy management in support of tourism marketing and product development. A bipartisan approach to achieving these objectives is highly desirable in the interests of the industry. Unfortunately, the Hon. Ms Laidlaw's recent remarks in this place contribute nothing to this process. They stimulate no new thinking or debate and serve only to stifle the enthusiasm of those many people in the private and public sectors who are working to solve the problems and to take up the challenges of tourism in this State. I believe this is lamentable, but it is something we have all come to expect. I support the Bill.

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

GAMING MACHINES BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 4335.)

The Hon. PETER DUNN: I rise to oppose the second reading of this Bill, and I do so for several reasons. I will be brief, but let me first declare my interest. I have probably gambled more than anyone else in this Chamber: I have done it for years and years and I guess I will continue to do it. I have invested against all the odds that could possibly have been put against me and have had a few wins and survived the day: I am a farmer, and no-one else in this world gambles more than farmers do. So, I declare my interest. I know a bit about gambling, and I consider that that has put me in a good position to enable me to speak briefly on this Bill.

I was quite ambivalent about the Bill until three weeks ago when certain matters were revealed about the Minister. I do not think I can support a Bill that may make the Minister fat and shiny because of what she could stand to gain out of this operation. She has lost me. If the Government loses $50 million because of that, so be it.

The Hon. R.R. Roberts interjecting:

The PRESIDENT: Order!

The Hon. PETER DUNN: This Bill is about the introduction of fruit machines or pokies, or whatever one wants to call them. They are machines that have been in operation in Australia, particularly in New South Wales, for a long time. As the Hon. Mr Lucas said, it does not appear that they have caused a great many problems. That is probably true. They have redistributed the money around the State although they have not affected a great deal of the population, and that is significant in these times of high unemployment. When there is a problem with social welfare we have to tread very carefully. This Bill has probably been introduced at the wrong time. No doubt it has been introduced to fix up the Government's mismanagement. As I have said time and time again, the Government could not manage a Labor Party barbecue; it has never been able to do that. Certainly, there is no-one on the other side of the Chamber who can do that. In fact, I have had to organise the barbecue for the cricket match tomorrow.

The problem is that no-one on the other side of the Chamber (and nor in the other place) has ever been in business. As a result, they have no idea; they have never had any idea. It is really because of poor management that this Bill has been introduced at a very unfortunate time. Probably, it would have been passed in better times. The Government has had 10 years but it has muffed it; we are in dire straits at the moment. Our debts have gone up from $2 billion in 1982 when Premier Bannon took over, to some $7 billion. It has increased three and nearly four times in that period of 10 years. That is not bad. I reckon the Premier will go out looking pretty smart on that. This Bill has been introduced to try to cure the parlous state that the Government is in at the moment.

Unfortunately, this Bill does one more thing; it introduces a very soft form of gambling right throughout the State. It is not leaving it over there at the Casino. Members may recall that when we introduced the Casino Bills there were to be no gambling machines in it; but there was not enough money in it, so we changed that. Western Australia very cunningly introduced its Casino and the right to disallow gaming machines outside that Casino for 15 years, so they really cornered the market. This Bill will put soft gambling right throughout the State in just about every pub and club in this State. I guess those pubs and clubs will want to do that, but I suggest that it might not be as good for them as they probably anticipate at this moment, and I will say a little more about that in a minute.

The machines are based on hope and I guess that is what gambling is about. In tough times such as these, basing one's fortunes on hope is not very clever. One of the excuses used for introducing them was that too many dollars were going interstate. I suspect that that is a bit of a furphy, because it is a minimal amount. It usually involves elderly people. I have been to Wentworth a few times and, as I watch them coming into the clubs there (which is basically where they go, as well as to Broken Hill), I notice that generally they are old people. They come with a minimal amount of money in their pocket, they have a day or a weekend out and they go home again, and I suspect that half the fun is the trip to that area in the bus. If I am correct, that may continue even after we have introduced gaming machines into South Australia.

It is interesting to note the method of introduction of this Bill. It was introduced by Minister Blevins because I do not think the Premier had the fortitude to do so. Beneath it all, I do not think the Premier agrees with the system. However, Minister Blevins introduced it in the Lower House. It was taken over by the Government when it did a few figures and thought it could get a good rake-off out of it. Then, of course, the Minister of Tourism's involvement made the whole thing very messy. It is indeed a conscience vote. People can vote as they want, but until the report comes down on what has happened to the Minister of Tourism, it will remain messy. That is one of the reasons I will not support the second reading.

The problem that has occurred in the hotels and the reason I think they want it is that when we dropped the blood alcohol limit from .08 to .05 (and I remain opposed to that because it is a very discriminatory action that was taken by the Federal Government in forcing us to do it by using the black spots program and saying we could have $12 million), the only people who suffered from this were the people in the country—the people whom the Hon. Ron Roberts and I attempt to represent in this place. As I have stated time after time, .05 limit affects only those people in the country, because here in the city one can get a bus or a taxi and do what one likes and get home any old which way, even by, for 20c, ringing up someone to come.

So, people are discriminated against and their social functions are affected. As a result, the hotels have lost a considerable amount of their trade, and that has forced them into becoming houses for entertainment and food. When I was younger, I lived in hotels myself, and I certainly did not get counter meals. For 10 shillings, I could have dinner, bed and breakfast in our hotel, but I had to eat in the dining room. It was hard work then, and it is damned hard work today, because the hours are a lot longer. I sympathise with the hotels when I look around this town and see that a huge number of them are in great financial difficulties. That is sad, because they are part and parcel of the style and finesse of this city, always have been and always will be. Unfortunately, I do not believe that the introduction of pokies will assist them or get them out of the mire because the take from pokies is not as much as that from alcohol across the counter.

I do not know of gaming machines in hotels in Europe, so those countries seem to get by without them. I suspect that in years to come there will be hotels in Adelaide and they will become more and more places of entertainment, providing good music and food. However, as I said before, I do not think that the introduction of gaming machines into those hotels will cure their problems, because there is no more money to spend. At this time, money is as thin as it can possibly be amongst people, and there is not very much more to spend.

I will cite one example that demonstrates what happens in the country if these machines are introduced—and this is the strongest point that I put forward. I use the town of Cleve as a service town. It has one hotel and football, golf, bowls, tennis and pistol clubs, and probably a couple of others, as well as a senior citizens' club. All those clubs can expect to want to put in fruit machines or gambling machines—

The Hon. T. Crothers: Cleve has never had a community hotel.

The Hon. PETER DUNN: It is a privately owned hotel. The hotel, by tradition, has been obliged to provide accommodation and meals. I support that obligation to the full, because there is nowhere else in the town where one can get accommodation. So, that facility needs to be kept in good nick for what the Minister was talking about a while ago, namely, if we are going to increase the tourist industry, that hotel must be profitable, and it must provide accommodation that is suitable for people travelling through the area. What if every football, golf and bowls club puts in a couple of pokies—and I understand that is about the minimum? The hotels will be open on Wednesday, Thursday, Friday and Saturday—and they are the days on which they open now—with no proviso to have meals and accommodation. So, they will take away that dollar that the hotel can reasonably expect to get. The dollars that will go into poker machines in small country towns in clubs such as the senior citizens', tennis, pistol, golf and bowls clubs will mean that those clubs will ruin the hotels. They are in enough strife now. When we introduced licensing for those clubs, it initially started out that they bought all their alcohol through the hotels, and the hotels made a minimum amount, 10 per cent, on the alcohol that was bought from them; so they got something.

Later it was suggested that if you were able to purchase about $30 000 worth of beer, you could purchase direct from a brewery. The hotels have been cut out. Little by little the hotel take in the industry has been eaten away. If we look at Cowell, it has two hotels. Heavens above—they

must feel the pinch terribly. We will end up like New South Wales where country pubs have been an absolute disaster. I travelled there not long ago and I could not find a good country pub. There are plenty of good clubs—RSL clubs and the musicians clubs to name a couple in Broken Hill—which have done well and I suspect that poker machines have been to their benefit. You are pulling down one institution and building another with the introduction of poker machines. Who picks up the loss and social destruction from the spending of this money? Do you say to the people who have run out of money, having spent their last few bob on the pokies (I guess there are not that many of them), 'Go back to the pub or club and get them to feed you or go to the Government and get it to feed you'? If they go back to the Government to get a feed, the Government's take from the machines is watered down and diminished. There is a social disruption there: it may not be huge but it is there and in these hard times it does not need to be encouraged.

I would like to think that South Australia is an interesting place and can attract tourists, but I do not think tourists will come here because we have gaming machines and every other State has them or will get them. They would be more likely to come here because we do not have them; that could be a tourist attraction. There will be a small loss of funds to New South Wales and Victoria, but there will still be people who go there because they like the bus run. There will be a demise of country pubs—there is nothing surer than that. There will be disruption to the social fabric of the community and it may help cure some of the Bannon Government's poor management, but in the long term I do not think that that outweighs the three former reasons I have given. For those reasons I do not support the second reading.

The Hon. T.G. ROBERTS: I support the introduction of poker machines in South Australia but, like other members, I will be looking at some of the amendments which indicate support for the Lotteries Commission. I agree with many of the concerns raised by other members in relation to some of the social welfare problems that may be created, but I do not intend to go into the pathos and agony that other members have delved into in relation to some of the social effects that may occur with the introduction of poker machines. As aptly described by other members, there are many other forms of gambling in South Australia at the moment and poker machines will not add to the discomfort or displeasure of those addicted to gambling.

I declare an interest at this early stage. I have a preference for gambling on racehorses, taking into account, weight, weather, genetics, state of the track, trainers credentials and all other things. Still, I enjoy having a bet.

The Hon. J.C. Burdett: Do you win?

The Hon. T.G. ROBERTS: Not very often. I am also inclined to follow tips of other people, and that tends to get me into trouble by investing on horses that do not even run a place. I also indulge my tips to others who may end up with the same problem.

The Hon. Mr Dunn made a casual observation about the South Australian Hotel Industry Association. I do not think that anybody reading *Hansard* can appreciate the good work that body has carried out over the years. The industry has a culture and record that are probably second to none in Australia. Many of our hotels are based on the Scottish rather than the English model, and they have been able to adapt to the changing conditions that have prevailed over the past two or three decades with regard to drinking habits. The Hon. Mr Crothers can probably remember when many people who had manually demanding jobs would rush into the hotels between 5 and 6 p.m., consume about eight or 10 schooners in that rush hour, and race home with a kitbag full of bottles and consume two or three bottles of beer at home. Such drinking habits have changed. With 6 o'clock closing, the hotels did not have to supply many facilities to attract drinkers. The product attracted the drinker. Hotels in the main were very bare and did most of their business at lunch time and between 5 and 6 p.m. with bottles over the bar.

That has changed. I think that the hotel industry is equipped to handle the introduction of poker machines, particularly as hotels have evolved over the past decade. The hotel industry has invested quite heavily in trying to attract and maintain the socialisation of drinkers and their families. That is another credit that needs to be given to the hotel industry in South Australia. Parents can take children into restricted areas of hotels. I hope that will remain so when poker machines are introduced, as I am sure they will be. The only argument appears to be the form of the monitoring and administrative bodies. If parents take their children into hotels in New South Wales they will be asked to leave. One either goes in alone or declines the offer of service and leaves with the children.

In most cases the hotel industry has been able to pick up the social changes that have occurred. Since the .05 limit for drivers has been introduced, the bottle industry has thrived considerably. Many people now still use the hotel as a dropping-in point, but they take their drinks away. The hotel industry has had to compete with the restaurant trade and now has eating houses and bistros to attract some of the clientele that allows licensees and owners to survive in a very competitive area. The facilities that most hotels offer will provide the support services for those who want to avail themselves of the recreational use of poker machines.

Some members have related the problems of addiction and the overuse of gambling facilities in this State. I do not think that poker machines will make much difference, although it is clear they will make some difference. They may attract a new and different type of clientele. I lived in Sydney for some time within a stone's throw of the South Sydney Juniors Rugby League Club, which I visited from time to time. My observation was that the majority of patrons enjoyed the benefits of the recreational and entertainment services and subsidised meals and drinks provided by that club and that only a small minority were attracted to playing the machines. The machines were obviously subsidising the rest of the services. So, there are benefits for those in New South Wales who want to make use of them, either for recreational or entertainment purposes.

Hopefully, the distribution of poker machines in South Australia will be in the hotels and clubs in areas that will not lend themselves to large auditoriums or large club facilities, because that would defeat the purpose of their introduction. The Gaming Machines Bill is trying to support and protect the hotel and club industry in these difficult times. I hope that that is the way it will stay. There is a push for a casino in the South-East. I would have no objection to some poker machines being provided in any casino's extension of services. When people enter casinos, they make a definite decision to have an entertaining night out or they go in specifically to gamble. Although many social problems are developing from the abuse of gambling facilities provided by casinos, I cannot see that poker machines will add anything at all to that dilemma.

The poker machine lobby has been as strong as any lobby I have seen since I have been in Parliament, in bringing forward information that needs to be analysed so that mem-

bers can make up their minds. I certainly would not point a finger at any section of the industry, whether it was lobbying for or against, and I refer to individuals, churches and organisations. The methods that have been used to inform me about their position have been quite fair, and I certainly have not suffered any stress at all about the way in which people have placed their arguments before me. That needs to be placed on the record, because there are indications that some members on this side of the Chamber have been lobbied fairly heavily to adopt a certain position in relation to the introduction of gaming machines. I certainly place on the record that I have come to a deliberate point of view without any harassment from either colleagues and/or people outside Parliament who are interested in either the introduction or the prevention of the introduction of the machines. I can only say that I am quite happy with the way in which people have presented their arguments to me.

The main reason why I have adopted my position is that, if the introduction of poker machines is extended into Victoria and Queensland, it will mean that all the eastern seaboard will have poker machine facilities. If South Australia does not introduce poker machines into its hotels and clubs, then the throwaway comment made by some members that there may be some drift of South Australian casual money into other States is, I think, underestimated.

Considering the economies of the Riverland and the South-East in particular, I would venture to say that it would affect not only the hotels and clubs in those areas but also the sporting organisations that rely on the social use of money through those clubs, and they would go over the border. For those members who are familiar particularly with the Western Border Football League in the South-East, I state that there would be quite an imbalance between the teams on the Victorian side of the border and those on the South Australian side.

There is quite a social development around sporting activities in the South-East, and I am sure that, if Victoria had the ability to raise sport and recreational funding from the use of poker machines in that region, quite an imbalance would build up not only socially and recreationally but certainly in those sporting areas. For those who are not aware of it, teams in the Western Border Football League are almost semi-professional. A lot of money is paid for coaches, assistant coaches and key players, and I would say that, within 12 to 18 months, there would be a recruiting drive which would leave the South Australian teams in a difficult situation.

The same problem would probably exist in the Riverland, and I am sure that, for those who drive along the Murray River now and look at the sporting facilities provided on the New South Wales side of the river as opposed to those on the Victorian side, they will see a marked difference not only in the standard of the clubs and hotels on the New South Wales side but in the recreational facilities that go with them. The Victorian tourism industry, in particular, suffers markedly from people, such as myself, who have gone to Echuca, but stayed at Rich River or some other facility on the New South Wales side. You might drive through Echuca and spend some money there, but certainly the majority of your casual tourist dollar would be spent on the New South Wales side. I am familiar with some of the spending patterns of people who go for casual day trips to Wentworth and other towns on the New South Wales side of the river, and you do not have to be very observant to see the differences in the facilities that have been provided through the introduction of mostly poker machines into those areas.

One concern I have is the redistribution of the casual or recreational dollar to poker machines away from the racing industry. That is one of the concerns I had in the mid-1980s when we debated the Casino, poker machines, etc. I supported the introduction of poker machines into the Casino but no further, on the basis that the racing industry would probably suffer more than any other competitive use industry associated with leisure dollars. But, as I say, with the Victorian and Queensland Governments introducing poker machines, I think the inevitable position for South Australia is that we cannot resist their introduction any longer. I have some concerns about the monitoring process, and that is why I am leaning towards the Lotteries Commission as the final monitoring body. I do not have any criticism of the model put up by the IGC, but I believe that the Lotteries Commission's record in handling lotteries and so on in South Australia is commendable, and I think it would be able to monitor it in conjunction with the hotel industry. I certainly would not like to see the Hotels Association left out of the consultation process, because it is clear to me that the expertise and information available within the Hotels Association and the hospitality industry would be invaluable in working out guidelines on distribution, presentation and codes of ethics and conduct, etc. I would see it as being a cooperative venture between Government, the private sector and the industry itself.

I am aware of the concerns that have been expressed about the TAB's placement of terminals within hotels and the accusations of unfair play in relation to some of the decisions that were made by the TAB about allowing terminals to be placed in some hotels and not others. That makes me very wary about the placement of poker machines.

The unseemly conduct of the Opposition in relation to drawing red herrings across the trail at the time of the introduction of the Bill leads me to believe that no members on the other side would be able to join John West and throw some back. Unfortunately, they have contaminated the debate. If Opposition members had some concerns about the introduction of the Bill, they could have been raised a lot earlier. The debate has been sullied by some of the actions and activities, and some members opposite have indicated that they have made up their mind based on the accusations that have been made and the information that is available. The waters have been muddied by those who have been throwing around the red herrings.

The suggestion that excessive use of poker machines may create pockets of poverty needs to be faced by the Government, in relation not only to the introduction of poker machines but gambling generally. The Government needs to look at providing funds for education programs and rehabilitation. Funding should be provided for treatment and rehabilitation in any area in which compulsion exists. For example, in the past 24 hours, the paper has reported the case of a compulsive car stealer, a 14 year old, who, by the sound of the report, must have stolen nearly every car in Adelaide twice. That is a form of compulsion that needs to be treated. Of course, it is well documented that gambling has its fair share of compulsive people.

For those reasons, I indicate my support for the amendments to be moved in Committee by the Hon. Mr Feleppa. I will consult with the Hon. Mr Elliott about his amendments. I understand that the Hon. Mr Lucas has some amendments on file to tighten up the controls to prevent any sort of corruption and criminality. I will keep an open mind on those amendments. As pointed out earlier, I suspect that the culture in South Australia with respect to the hotel and hospitality industry is not the same as it is in Queensland or in New South Wales. It is similar to but not

the same as that in Victoria. The culture of corruption and criminality that goes with New South Wales poker machines has a separate history. I will not canvass those issues tonight because they are well documented.

In a throwaway line, the Hon. Mr Dunn said that there did not appear to be a lot of corruption in New South Wales but, if he reads the Queensland report into gaming machine concerns and regulations and the Victorian report of the board of inquiry into poker machines, he will find that there is a lot of information, much of which concerns me, about the industry and the opportunities that present themselves for corruption.

As I say, the culture of South Australia's hotels and the people who are associated with the industry gives me confidence that the same culture does not exist in this State at the same levels as it does in New South Wales. The industry itself obviously is aware that some people may be tempted to cross the borderline, but the industry, in conjunction with the regulatory authorities of the Government, will, I think, enable the smooth passage of the Bill, hopefully without too much fuss and rancour, so that the fears of the general community can be dispelled about the introduction of gaming machines.

I would like to see gaming machines introduced at the same time they are introduced in Victoria, the Victorian introduction program having been outlined only in the past 24 hours. I hope that those members of the Opposition who are tempted to delay the Bill for their own political purposes will enable its smooth passage through the Council so that we can get on and introduce them and set up regulations so that the industry can have some certainty about the direction in which it is to go.

The Hon. L.H. DAVIS secured the adjournment of the debate.

REAL PROPERTY (TRANSFER OF ALLOTMENTS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 14 April. Page 4199.)

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

A quorum having been formed:

The Hon. DIANA LAIDLAW: This Bill, which amends the Real Property Act, essentially stems from the Minister's release of the Mount Lofty Ranges Management Plan in January this year. The Bill provides for the amalgamation of allotments in exchange for the division of land, including the division of land by the strata plan. The Mount Lofty Ranges Management Plan is the culmination of four years work and the expenditure of some $4.5 million to determine a means to reduce the level of pollution entering reservoirs, improve management practices in agricultural and horticultural areas of the Mount Lofty Ranges area, improve planning and management practices in townships and improve waste disposal practices generally.

The Minister for Environment and Planning (Ms Lenehan) has described the release of the management plan as extremely visionary. She said that in the annals of time it will be seen as being something historic. I note that in the *Farmer and Stockowners Journal* of 1 April she said that the most contentious of the issues of the plan was the establishment of the transferable title rights. The Minister is correct in that assessment. When the plan was first released, the Minister announced that a transferable land rights scheme would operate across the whole of the Mount Lofty Ranges, that is, some 4 000 square kilometres. However, in late March, in the light of public outrage and with the wisdom of hindsight, the Minister backed down on this blanket proposal and announced that the transferable title rights scheme would be limited in its application to the Mount Lofty Ranges Water Supply Protection Zone (WSPZ) and future living areas outside the zone.

Four weeks later, essentially with the introduction of this Bill, we find that the scheme has changed again, this time in name, and it is now to be called amalgamated units, which is the preferred name to transferable title rights. Apparently 'transferable title rights' is considered by the Government to be a term that may be confused with title to land which is a transferable title right. I suggest that the change from TTRs to amalgamated units is confusing in itself and that it has added to and not mitigated the confusion in this whole area.

Under the plan as it currently stands the subdivision of rural land within the water supply protection zone of the ranges will be prohibited, and developers wanting to subdivide land and towns will first have to buy transferable title rights or amalgamated units. It is also envisaged that there will be a ban on additional allotments outside towns, and the subdivision of land within a zone will be restricted by doubling to 4 000 square metres the required minimum allotment size.

For instance, farmers will be given the option of amalgamating their blocks into one larger block to create a number of transferable title rights. This is a most controversial issue, as the Minister has stated. I also indicated that when I spoke to a motion suggesting that the losses arising from this scheme should be referred to the Environment, Resources and Development Committee of this Parliament. I do not intend to go over all those matters and the controversial circumstances that arise from this Bill tonight.

The Bill enables TTRs to be implemented through the use of regulations, and I note that the Opposition has received a copy of the regulations. However, they are the first draft only and the Minister acknowledged that that was so. Our concern is that in considering the changes in the ambit and nature of TTRs or amalgamated units over the past 10 weeks, there may well be considerable changes in respect of the regulations over the next few weeks, if not months; and that is of some concern to us, because so much of the Bill depends on the final status of the regulations.

The UF&S remains most unhappy with this Bill, notwithstanding the changes that the Minister made in late March to restrict the application of TTRs within the Mount Lofty region. I wish to read from correspondence that I received today from Mr Peter Day, Executive Officer, UF&S of South Australia Incorporated. The letter reads as follows:

> The UF&S has two main concerns with the scheme proposed for the Mount Lofty Ranges.
>
> 1. Valuation of the Transferable Rights
>
> Due to a limited ability for developers to pass on any increase in costs, it is likely that the value being offered for a TTR will be well below that which would adequately compensate landowners for a resultant loss in land value. It is therefore proposed that the creation of one TTR should provide three development opportunities for a developer, consequently meaning the developer will offer a more realistic price for the initial TTR. The best information available on the number of potential TTRs and allotments indicates that a three to one ratio is appropriate.
>
> 2. Rural Properties
>
> There are two trends evident in rural areas generally:
>
> *(a)* Some farmers are moving out of the industry, with their properties being divided and bought by a number of 'nearby' landowners.
>
> The purchasers of the properties are incrementally growing in size, reflecting the increasing efficiency and cost-price squeeze generally applicable in agriculture.
>
> *(b)* Portions of larger properties previously used for broadacre farming are being purchased and used for a more

intensive form of production (for example, vegetable production or deer farming). Both of these trends imply a need for primary producers to be able to readily buy and sell portions of a property for agricultural purposes alone. The proposed legislation does not cater well for either of these issues.

The Liberal Party would agree with that assessment. The UF&S therefore recommends two options:

Recommendation 1

To permit the ready creation of three development rights (and recognising that, in many cases, an individual may only wish to acquire one such right), it would be easier if the original landowner was given the three rights immediately, to be sold as they wished. Section 2.2.3*llc* should be amended by the following addition at the end of the current proposal:

or some multiple of that number, as established by regulation.

That multiple is one, two or three allotments. Recommendation 2 as proposed by the UF&S reads:

The simplest way to ensure that appropriately sized allotments remain available for rural purchasers is to retain cadastral boundaries as they currently are (that is, to not encourage a merger, but to, through some other mechanism, ensure that no housing development ever occurs on the subject land). Transferable rights would thus be created not on the merger of two allotments, but on the landowner seeking either a registered endorsement on the title or a note on the LOTS system, precluding further housing development on the appropriate sections.

This scheme has the added advantage that transferable rights could be created without the need for the lodgment of survey plans merging allotments and necessitating renumbering of the allotments, It would be less costly for landholders and, presumably, Government. However, to achieve this, substantial amendment would be required to the Bill.

An alternative which would ensure that smaller allotments of agricultural land remained available for primary producers, would be for the Government to give a clear commitment, to ensure that rural land could be subdivided for rural purposes. Pieces of land that are separate from each would have to be treated as though they were merged into a single allotment.

This approach could be accommodated in planning legislation. However, it will not do away with the costly need for survey plans, and allotment renumbering, etc., in order to create the transferable right.

As indicated in the UF&S correspondence, the changes proposed by the UF&S to accommodate alterations to the TTRs would require substantial amendment to this Bill.

The Liberal Party has also received a considerable number of representations from other parties interested in the fate of the Mount Lofty Ranges and in water supply for the Adelaide Plains. We are concerned that the Minister appears to be plucking at moonbeams in trying to advocate that this TTR system is the one that should apply to the Mount Lofty Ranges and, if we agree at this time, without qualification, to the TTR system, warts and all, it will then become the basis for dealing with water sensitive areas throughout the rest of the State. I refer to the Barossa Valley, the South-East and areas along the River Murray as possibly the first of many other areas in the State where TTRs would apply in future.

In Adelaide, the transferable title rights system applies to heritage listed structures. I have a very keen interest in heritage buildings and their fate in the City of Adelaide in particular. Because of that interest, I am conscious that this system of transferable title rights is not working, particularly at present, because there is no market in the city for the sale or lease of office space. I have no doubt that within the Mount Lofty Ranges, where it is proposed that TTRs should operate in future, this system will not work if again there is no market.

I do not believe that the fact that TTRs are operating in respect of urban environments—in Adelaide, that refers to heritage listed buildings—suggests that there is any distinction between TTRs in urban or rural areas. The issue common to both is whether or not there is a market or a commercial environment in which we can profitably transfer those titles. I am most concerned that, in respect of the Mount Lofty Ranges, owners will be disadvantaged if we do not create a market for the transfer of these titles. I believe that, on present indications, such a market would be very hard to establish.

A number of studies in respect of TTRs have been undertaken in this State and interstate. The common factor in each of these studies is that it has been shown that there is a fundamental flaw in the system unless the market is established, irrespective of whether TTRs are established in an urban or rural environment. In respect of TTRs in metropolitan Adelaide, we have great concerns for all owners of heritage listed properties, because there has been a collapse of the commercial property market. In the very depressed rural environment at this time it is difficult to appreciate that there will be any market in respect of TTRs in the Mount Lofty area. The difficulty is that, even if I wished to be more positive about this area, that would be almost impossible because no-one knows what the market situation will be. We do not know—and neither does the Government—how many individual titles there are in the Mount Lofty area or how many potential subdivision titles would be available if all the properties within the Hills townships were subdivided. With so many unknowns in this area, it is even more difficult to predict what the market will be, and that is of particular concern when one studies interstate and overseas experience in respect of TTRs.

One thing we do know in respect of TTRs, or the transfer of allotments, as they are now called in this Bill, is that great hardship will be caused for some people and, again, we do not know how many; some people will be affected as a result of the introduction of this system. I spoke at some length about the hardship caused to a number of people, when I moved a motion in this place on 8 April calling for the Environment, Resources and Development Committee to consider as a matter of urgency the number of property owners suffering losses arising from the Mount Lofty Ranges management plan and supplementary development plan and related matters.

I do not intend to go through at length the number of letters that I read into *Hansard* at that time or the number of examples that I gave of potential or real loss as a result of this scheme, but it is one factor that this Parliament must address. I was disturbed earlier today to see the Australian Democrats and the Government join forces in seeking to amend the motion that I moved on 8 April to remove any specific reference to property owners who will suffer losses as a result of this scheme. As I said previously, the one thing we do know with some certainty is that there will be losses, although we do not know to what extent those losses will arise nor the number of people in the Hills area who will incur the losses.

A number of alternative suggestions have been made to deal with the issue of accommodating rural production in a very sensitive water conservation area. The Government's proposal is one and the UF&S has suggested that there should be amendments to that proposal. There have been a number of other schemes, one of which I would like to refer to now. This has been mentioned by Ms Wendy Bell, a planner, when she was assessing possibilities for the Barossa Valley area; she said:

To be effective, programs aimed at preserving high quality agricultural land must be fashioned on a stable, secure agricultural environment in which farm operations can be conducted with minimal urban harassment and in which farmers have a sense of permanence. Indispensable to creating this kind of environment is the assembling of a consolidated mass of farmland, protected from conversion to other uses.

To achieve this goal some communities overseas have zoned areas for agriculture and imposed strict limits on non-agricultural

development within them. In the USA this has often entailed substantial reductions in allowable densities fixed by earlier planning decision, and therefore frequently evokes questions of compensation either from public or private sources, mainly in the form of public funded purchases of development rights (PDR) and privately funded transferable development rights (TDR). In the PDR programs, rights are purchased by the State and retired—a very expensive method of protecting large acreages of land.

TDR programs—

which are privately-funded transferable development rights—

allow for higher housing development densities in designated development areas (generally known as 'receiving areas') and direct growth away from designated agricultural, scenic or environmentally sensitive areas as specified in statutory planning instruments. The local government through its zoning ordinance . . . in a systematic manner 'development rights' to landowners' property in the sending area and 'TDR' density ratios of building units per acre in the 'receiving areas'.

In other words, Ms Wendy Bell is saying that, if we have to know what we are trying to do in this area, we have to know how many titles we want to sell and how many we want to receive. To date, in respect of the Mount Lofty Ranges, it is absolutely clear that we do not know how many titles we want to sell nor how many titles we want to receive. So, in terms of the analysis from Ms Wendy Bell, this Government proposal is confusing.

There are other suggestions, and the latest has come from the East Torrens Council. I will read from an article from the *Courier* of today, 15 April. It states:

Amendments to the management plan were inequitable and made the system of transferable title rights unworkable, East Torrens councillors claimed.

Incidentally, the East Torrens Council is totally within the water catchment sensitive area within the Mount Lofty Ranges, which is subject to the main focus of this plan. The article further states:

At a special meeting last week, they overwhelmingly supported a submission to Environment and Planning Minister Susan Lenehan to make a study into vacant allotments in the district.

If a study wasn't feasible the councillors requested a voluntary scheme for transfering development entitlements from vacant allotments in the Water Supply Protection Zone to outside areas.

'It is the council's view that the March amendments are not compatible with the focus of the Mount Lofty Ranges Management Plan which the Minister has released for consultation,' Mayor Isabel Bishop said.

'Nor are the Minister's amendments consistent with the general issues identified in the "Residential and Urban Development" part of that plan.'

Ms Bishop said ideally a scheme should be adopted whereby owners of all vacant allotments were given the opportunity and means of 'voluntarily' handing over entitlements to develop residential dwellings on their land.

Under this scheme a Mount Lofty Ranges Land Trust Fund would be established which would buy, at a fair price, residential development rights from owners. The fund would then sell the rights outside of the Water Supply Protection Zone.

'The council's view is that this scheme has the potential for considerably greater benefits for water quality and preservation of the rural character, primary production and the natural amenity of both our district and the Mount Lofty Ranges than does the Minister's current amended scheme,' Ms Bishop said.

We think our proposal is fair, it can work and it is consistent with the thrust of the Mount Lofty Ranges Management Plan.

So, we have the Minister's plan, two plans suggested by Ms Wendy Bell based on overseas experience, and a proposal put up by the East Torrens Council which, in part, is based on some of the overseas experience referred to by Ms Bell. All those proposals indicate very clearly to the Liberal Party that, while the Government is correct in essence in its thrust to protect the water supply in the area, to seek to maximise the production of agricultural land in the region, to seek to confine urban growth within the Adelaide Hills, more discussion should be undertaken on how best to achieve these matters in terms of existing rights to land ownership in the area.

It is for this reason that I moved on behalf of the Liberal Party earlier today that, contingent on this Bill being read a second time, the Bill be referred to the Environment, Resources and Development Committee of this Parliament. The reference of this Bill to that committee would complement a reference from this Parliament in terms of the whole of the supplementary development plan and the Mount Lofty Management Plan. If that does not win the day, this Parliament may consider sending a message to the standing committee in terms only of a reference to the serious losses. In either case, the reference of this Bill to that committee would complement either of those references. In the meantime it is important for this Parliament to consider the range of representations that have been made to the Australian Democrats and to ourselves, and I suspect also to the Government, on what we should be doing in terms of this Bill, and we should use the break of the forthcoming week to do so. Therefore, I seek leave to conclude my remarks.

Leave granted; debate adjourned.

STATUTES AMENDMENT (ILLEGAL USE OF MOTOR VEHICLES) BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendments Nos 1, 2 and 4 without amendment, that it had disagreed to amendment No. 3 and that it had made alternative amendments in lieu thereof.

SUMMARY OFFENCES (PREVENTION OF GRAFFITI VANDALISM) AMENDMENT BILL

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

ADJOURNMENT

At 11.56 p.m. the Council adjourned until Tuesday 28 April at 2.15 p.m.