LEGISLATIVE COUNCIL

Tuesday 28 April 1992

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

MFP DEVELOPMENT BILL

At 2.16 p.m. the following recommendations of the conference were reported to the Council:

As to Amendment No. 1:

That the Legislative Council do not further insist on this amendment.

As to Amendment No. 2:

That the House of Assembly do not insist on its disagreement to this amendment.

As to Amendment No. 3:

That the Legislative Council do not further insist on this amendment.

As to Amendment No. 4:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 2, line 5 (clause 3)—Leave out 'proclamation under this section' and insert 'regulation'.

and that the Legislative Council agree thereto.

As to Amendments Nos 5 and 6:

That the Legislative Council do not further insist on these amendments.

As to Amendments Nos 7 and 8:

That the House of Assembly do not insist on its disagreement to these amendments.

As to Amendments Nos 9 and 10:

That the Legislative Council do not further insist on these amendments and the House of Assembly make the following amendments in lieu thereof:

Page 2, line 23 (clause 3)—Leave out 'Subject to subsection (3), the Governor may, by proclamation' and insert 'The Governor may, by regulation'.

Page 2, lines 27 to 31 (clause 3)—Leave out subclause (3).

and that the Legislative Council agree thereto.

As to Amendment No. 14:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 4, line 3 (clause 8)—Leave out 'plan and develop and manage' and insert 'plan and manage and coordinate the development of'.

and that the Legislative Council agree thereto.

As to Amendment No. 15:

That the Legislative Council do not further insist on this amendment.

As to Amendment No. 16:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 4, lines 27 to 29 (clause 8)—Leave out subclause (2) and insert—

(2) In carrying out its operations, the corporation may consult with and draw on the expertise of—

(a) administrative units and other instrumentalities of the State;

and

(b) Commonwealth Government and local government bodies,

with responsibilities in areas related to or affected by those operations and may draw on the expertise of non-government persons and bodies with expertise in areas related to those operations.

and that the Legislative Council agree thereto.

As to Amendment No. 17:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 4, line 34 (clause 9)—Leave out paragraph *(b)*.

and that the Legislative Council agree thereto.

As to Amendment No. 18:

That the Legislative Council do not further insist on this amendment.

As to Amendment No. 19:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 5, after line 16—Insert new clause as follows:

Environmental impact statement for MFP core site

11a. The corporation must not cause or permit any work that constitutes development within the meaning of the Planning Act 1982 to be commenced within the part of the MFP core site shown as Area A in Schedule 1 unless the development is of a kind contemplated by proposals for development in relation to which an environmental impact statement has been prepared and officially recognised under Division II of Part V of that Act.

and that the Legislative Council agree thereto.

As to Amendment No. 20:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendments in lieu thereof:

Page 5, line 18 (clause 12)—After 'land' insert 'within a development area'.

Page 5, lines 20 and 21 (clause 12)—Leave out 'MFP core site or brought within the MFP core site by proclamation under this Act' and insert 'area of the MFP core site defined in Schedule 1'.

and that the Legislative Council agree thereto.

As to Amendment No. 21:

That the Legislative Council do not further insist on this amendment.

As to Amendment No. 28:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 10, lines 17 to 31 (clause 25)—Leave out subclause (2) and insert—

(2) The members of the Advisory Committee must include—

(a) a person selected by the State Minister from a panel of three nominated by the Local Government Association of South Australia;

(b) a person selected by the State Minister from a panel of three nominated by the Conservation Council of South Australia Incorporated;

(c) a person selected by the State Minister from a panel of three nominated by the South Australian Council of Social Service Incorporated;

(d) a person selected by the State Minister from a panel of three nominated by the Chamber of Commerce and Industry S.A. Incorporated;

(e) a person selected by the State Minister from a panel of three nominated by the United Trades and Labor Council of South Australia;

(f) a person who will, in the opinion of the State Minister, provide expertise in matters relating to education;

(g) a person who will, in the opinion of the State Minister, provide expertise in matters relating to environmental health;

and

(h) a person who will, in the opinion of the State Minister, appropriately represent the interests of local communities in the area of or adjacent to the MFP core site.

and that the Legislative Council agree thereto.

As to Amendment No. 29:

That the House of Assembly do not insist on its disagreement to this amendment.

As to Amendment No. 31:

That the House of Assembly do not insist on its disagreement to this amendment.

As to Amendment No. 33:

That the Legislative Council do not further insist on this amendment.

As to Amendment No. 34:

That the Legislative Council do not insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 12, after line 30—Insert new clause as follows:

Reference of Corporation's operations to Parliamentary Committees

32a. (1) The corporation's budgets are subject to annual scrutiny by the Estimates Committees of the Parliament.

(2) The economic and financial aspects of the corporation's operations and the financing of those operations are referred to the Economic and Finance Committee of the Parliament.

(3) The environmental, resources, planning, land use, transportation and development aspects of the corporation's operations are referred to the Environment, Resources and Development Committee of the Parliament.

(4) The corporation must present reports to both the Economic and Finance Committee and the Environment, Resources and Development Committee detailing the corporation's operations as follows:

(a) a report detailing the corporation's operations during the first half of each financial year must be presented to both committees on or before the last day of February in that financial year;

(b) a report detailing the corporation's operations during the second half of each financial year must be presented to both committees on or before 31 August in the next financial year.

(5) The corporation may, when presenting a report to a committee under this section, indicate that a specified matter contained in the report should, in the opinion of the corporation, remain confidential, and, in that event, the committee and its members must ensure that the matter remains confidential unless the committee after consultation with the corporation and the State Minister, determines otherwise.

(6) The Economic and Finance Committee must report to the House of Assembly not less frequently than once in every 12 months on the matters referred to it under this section.

(7) The Environment, Resources and Development Committee must report to both Houses of Parliament not less frequently than once in every 12 months on the matters referred to it under this section.

and that the Legislative Council agree thereto.

As to Amendment No. 35:

That the House of Assembly do not insist on its disagreement to this amendment.

As to Amendment No. 39:

That the Legislative Council do not further insist on this amendment.

As to the Suggested Amendment:

That the Legislative Council do not further insist on this suggested amendment.

QUESTIONS ON NOTICE

The PRESIDENT: I direct that written answers to the following questions, as detailed in the schedule that I now table, be distributed and printed in *Hansard*: Nos 88, 94, 106, 110, 118 and 121.

AGRICULTURAL PRODUCTION

88. **The Hon. J.C. IRWIN** asked the Minister of Tourism:

1. How did the Minister arrive at a figure of $120 million, quoted in the Decade of Landscape document, as being the annual loss of agriculture and pastoral production as a result of land degradation?

2. How will future years be measured?

The Hon. BARBARA WIESE: The replies are as follows:

1. The Decade of Landcare Plan for South Australia identifies, on pages 7 and 13, that the annual loss of agricultural and pastoral production from land resource degradation is estimated to exceed $120 million in South Australia. This estimate is based on research and field observations on the various forms of land degradation across a range of land classes and climatic conditions and summarised in a study by CSIRO and the Secretariat of the National Soil Conservation Program, Department of Primary Industries and Energy. The draft report of the study indicates that South Australia has an estimated $107 million loss annually from land degradation. To this figure has been added the production losses estimated to be caused by feral animals, particularly rabbits, in the pastoral area. Total rainfall, rainfall intensity, market prices for agricultural and pastoral products, management skills and other factors vary from year to year and district to district. As a consequence it is very difficult to quantify the annual loss of production resulting from land degradation. The estimate of $120 million is conservative and this is supported, for example, by recent work on the impact of dryland salinity in South Australia. This work indicates that the CSIRO/NSCP study underestimated the impact of dryland salinity in South Australia.

2. Researchers across Australia are developing assessment techniques and models to help quantify soil loss and changes to the soil, vegetation, groundwater and surface water. The following two programs will also contribute greatly to more accurate assessment of the extent, degree and potential of land degradation in future years and provide a basis for sustainable management of land resources:

The land resource assessment program, outlined in the decade plan, will provide land class maps and detail on the condition of the land for most of the agricultural areas by the end of 1996 and the pastoral areas by 1998.

Soil conservation boards are beginning to assess land classes, land degradation and land capability at a local level as part of the responsibility of the boards, under the Soil Conservation and Land Care Act 1989, to develop district plans with guidelines for the use and management of land within the district.

GOVERNMENT VEHICLES

94. **The Hon. R.I. LUCAS** asked the Attorney-General:

1. What is the total number of vehicles with private plates attached to the Minister of Emergency Services' Department as of 1 March 1992?

2. What was the corresponding number of vehicles with private plates as at 1 March 1991?

3. What is the classification of each officer with access to a car with a private plate and what is the reason for the provision?

The Hon. C.J. SUMNER: The replies are as follows:

Police Department

1. 157.

2. 147.

3. One—Commissioner of Police; six—Officers at EL2 and above, in accordance with Government's executive salary package. 150—Various. Vehicles with private plates are available to police officers at various ranks engaged in Criminal Investigation Branch activities, special investigations, selective traffic enforcement and various other functions where the provision of a nondescript vehicle is considered essential for the maintenance of effective operation or for discreet inquiries.

Metropolitan Fire Service

Under section 31 of the Motor Vehicles Act, the Metropolitan Fire Service is specifically named as being exempt from paying registration fees for its vehicles. As a consequence, all Metropolitan Fire Service vehicles carry private plates instead of Government plates.

1. Fire Appliances	100
Vans, Trucks, Utilities	40
Sedans, Stations Wagons	36
Total	172
2. Fire Appliances	97
Vans, Trucks, Utilities	40
Sedans, Station Wagons	35
Total	172

3. The majority of officers with access to vehicles other than fire appliances, vans, trucks and utilities (that is, sedans, station wagons) are senior commissioned officers (that is, district officers, station officers and superintendents) who are on call 24 hours a day and must have access to a vehicle with command and control facilities.

Country Fire Service

1. Four.

2. Four.

3. One x EL-3—Chief Executive Officer; two x Assistant Chief Officers—approved by Minister of Transport for duties associated with these positions; one x contract—part of contract package.

106. **The Hon. R.I. LUCAS** asked the Minister of Tourism:

1. What is the total number of vehicles with private plates attached to the Minister of Health, Family and Community Services and for the Aged's departments as of 1 March 1992?

2. What was the corresponding number of vehicles with private plates as at 1 March 1991?

3. What is the classification of each officer with access to a car with a private plate and what is the reason for the provision?

The Hon. BARBARA WIESE: The replies are as follows:

Department for Family and Community Services

1. 26.

2. 26.

3. 24 vehicles are used by field staff to preserve confidentiality when making home visits on personal and sensitive matters. Two are allocated to officers classified at EO-5 and EL-3 levels as part of their salary packages.

Commissioner for the Ageing
1. One.
2. One.
3. EL-2—vehicle provided as part of salary package.

SOUTH AUSTRALIAN HEALTH COMMISSION

Location	No. Vehicles 1.3.92	No. Vehicles 1.3.91	Classification Reason
Hillcrest Hospital	1	1	MO-9 Salary Package
Glenside Hospital	1	1	EL-2 Salary Package
Intellectual Disability Services Council	1	1	EL-3 Salary Package
S.A. Dental Service	1	1	EL-2 Salary Package
Julia Farr Service	1	1	EL-3 Salary Package
S.A. Mental Health Service	1	0	EL-3 Salary Package
Drug and Alcohol Services Council	1	1	Van used for needle exchange program
RAH/IMVS	3	2	MD-5, EL-2 (2) Salary Package
The Queen Elizabeth Hospital	2	2	EL-3, EL-2 Salary Package
Flinders Medical Centre	2	2	EL-3, EL-2 Salary Package
Modbury Hospital	1	1	EL-2 Salary Package
Lyell McEwin Hospital	1	1	MO-9 Salary Package
Adelaide Medical Centre for Woman and Children	1	1	EL-3 Salary Package
*Millicent Hospital	1	1	MAS-2 Salary Package
*Onkaparinga Hospital	1	1	ASO-5 Salary Package
Central Office	9	9	EO-6, EL-3 (4), EL-2 (4)
Total	28	26	

* Prior to incorporation of the Millicent and Onkaparinga hospitals, a vehicle was allocated to each CEO as part of their salary package. Cabinet approved that both officers retain the vehicle; however, this arrangement will not persist when the positions become vacant.

PORT ADELAIDE LAND

110. **The Hon J.C. IRWIN** asked the Attorney-General:

1. As SAFA funded the purchase of land within the Port Adelaide Council area known as Harborside Quay on the basis that the interim finance and interest would be recouped following the sale of the land to a developer, why did the Port Adelaide Council receive $1.6 million for this land instead of $1.8 million reported as the negotiated sale price?

2. Is the Government aware that the site has tested unsuitable for building development?

The Hon. C.J. SUMNER: The replies are as follows:

1. The Harbourside Quay land at Port Adelaide was sold by the Port Adelaide City Council to the Treasurer for the sum of $1.8 million. Payment was made in May 1991.

2. An engineering report indicates that the site is suitable for residential development provided that certain remediation work is carried out.

PORT RIVER SLIPWAYS

118. **The Hon. DIANA LAIDLAW** asked the Attorney-General:

1. How many slipways are based along the Port River and in each instance—
   (a) To whom are they leased?
   (b) What is the maximum capacity of vessels that can be slipped?
   (c) What conditions have been placed on the lease in respect of their future operation and viability?

2. What is the Department of Marine and Harbors policy for the future number and location of slipways along the Port River, including renewal of current leases?

The Hon. C.J. SUMNER: The replies are as follows:

1. See attached table.

2. Department of Marine and Harbors (DMH) policy in regard to future numbers and location of slipways along the Port River is subject to a variety of factors. The number of slipways along the Port River would be determined by market forces over which the DMH does not have a great deal of influence. In regard to the location of slipways, the policy revolves around tripartite discussions (DMH/MFP/proposed lessee) on individual leases. The impact of new leases and/or extensions to existing leases on port development is a factor in determining the future of such leases. The proximity of the multifunction polis to the Department of Marine and Harbors' boundaries has created the need for discussion between the two in order to coordinate development and cater for each other needs. The multifunction polis is considered an integral complementary part of port development.

BOAT SLIPS

Name	Maximum Size of Vessels			Location	Expiry Date
	Length Metres	Beam Metres	Tonne Displacement		
John Stockton	39.5	9.1	350	Jenkins Street, Birkenhead	Monthly
MacFarlane & Sons	30.5	9.1	80	Jenkins Street, Birkenhead	4.6.95
R.T. Searles & Sons	18.3	4.8	60	Jenkins Street, Birkenhead	30.6.95
W.G. Porter & Sons	15.0	5.1	30	Jenkins Street, Birkenhead	30.6.95
Diving and Marine	21.5	5.8	70	Jenkins Street, Birkenhead	30.6.95
Adsteam Pty Ltd	65.2	16.5	1 500	Jenkins Street, Birkenhead	—
	20.0	6.0	60		
Marine Industries Pty Ltd	18.3	7.6	85	Moorhouse Road, North Arm	30.6.2006
North Arm Slipway Pty Ltd	18.3	7.6	140	Moorhouse Road, North Arm	30.6.2006
	44.0	11.0	400		
Department of Marine and Harbors	21.3	6.1	60	DMH Dockyard, Glanville	—
Engineering and Metal Fabrication Training Centre	17.0	6.7	50	Davis Street, Snowdens Beach	30.6.2000
	27.0	7.6	150		

Name	Maximum Size of Vessels: Length Metres	Beam Metres	Tonne Displacement	Location	Expiry Date
Beswick's Boatyard	21.3	6.4	80	Davis Street, Snowdens Beach	30.10.2007
Australian Submarine Corporation	80.0	14.0	3 500	Off Mersey Road, Outer Harbor	Until terminated by six months written notice

All the slipways located at Jenkins Street, Birkenhead are under the control and management of the Department of Premier and Cabinet.

Marine Industries Pty Ltd and North Arm Slipway Pty Ltd have the right to renew their leases for a further period of 20 years. To exercise this right notice is to be given six months prior to expiry. The Minister has the right to resume the premises by the giving of 24 months notice in writing.

The Minister of Marine has the right to terminate the remaining three leases by the giving of six months notice in writing.

TAXI INDUSTRY FUND

121. **The Hon. DIANA LAIDLAW** asked the Minister for the Arts and Cultural Heritage: What are the terms of reference for the disposal for the disposal of funds from the Taxi Industry Research and Development Fund?

The Hon. ANNE LEVY: The tendering recently of 15 taxi plates has generated approximately $1.352 million for the Taxi Industry Development Fund. To ensure the fund is appropriately administered, I have adopted the following principles in assessing each application. These principles have been relayed to the Chairperson of the Metropolitan Taxi-Cab Board to implement:

1. A yearly budget for use of the fund should be proposed, which should be consistent with the fund's overall annual budget allowing for accumulation of a significant proportion of the fund as reserves.
2. Proposals should not be exclusive as to the beneficiaries of the project, unless it is a demonstration-type project, the benefits of which will be widespread in the longer term.
3. The proposals should be legal, for example, Trade Practices Act (1974).
4. Proposals should be designed in such a way as to be self-sufficient if they are to be ongoing.
5. Fund expenditure should be predominantly of a capital nature, not used to meet recurrent expenses to prop up projects that are uneconomic in the long run.
6. The term 'taxi industry' should be read in its widest sense, including owners and drivers and the taxi consumer.
7. The term 'beneficial' should be read in its widest sense, including direct and indirect benefits (such as a consumer voucher scheme).
8. Where proposals contain third party contractors, these contracts should be openly tendered.

PAPERS TABLED

The following papers were laid on the table:

By the Attorney-General (Hon. C.J. Sumner)—
- Privacy Committee of South Australia—Report, 1991.

By the Minister of Corporate Affairs (Hon. C.J. Sumner)—
- Corporations (South Australia) Act 1990—Regulations—Leave with Pay.

By the Minister of Small Business (Hon. Barbara Wiese)—
- South Australian Council on Reproductive Technology—Report, 31 March 1992.
- Regulations under the following Acts—
  - Agricultural Chemicals Acts 1955—Fees.
  - Controlled Substances Act 1984—Carfentanyl.
  - Fees Regulations Act 1927—Stock Medicines—Fees.
  - Fisheries Act 1982—Exotic Fish—Diseases.

By the Minister for the Arts and Cultural Heritage (Hon. Anne Levy)—
- Director-General of Education—Report, 1991.
- Motor Fuel Licensing Board—Report, 1991.
- Senior Secondary Assessment Board of South Australia—Report, 1991.
- Clean Air Act 1984—Regulations—Fees.
- Metropolitan Taxi-Cab Act 1956—Regulations—General.

By the Minister for Local Government Relations (Hon. Anne Levy)—
- District Councils By-laws—
  - D.C. of Beachport—No. 7—Bees.
  - D.C. of Mallala—
    - No. 1—Permits and Penalties.
    - No. 2—Streets and Public Places.
    - No. 3—Garbage Removal.
    - No. 5—Caravans and Camping.
    - No. 6—Animals and Birds.
    - No. 7—Bees.
    - No. 8—Foreshore.
    - No. 9—Repeal and renumbering or By-laws.

MINISTERIAL STATEMENT: WORTHINGTON INQUIRY

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

Leave granted.

The Hon. C.J. SUMNER: On 16 April, Cabinet approved the establishment of an independent investigation into allegations made against the Minister of Tourism in respect of alleged conflicts of interest relating to the introduction of the Gaming Machines Bill 1992, the development at Tandanya and the Glenelg foreshore development. This followed a request by Ms Wiese for an independent inquiry to resolve the issues in relation to the introduction of gaming machines and the two developments.

The investigation is being conducted by Mr T.A. Worthington Q.C. with Mr A. Besanko as counsel assisting the investigation. Mr Worthington is currently the Chairman of the Legal Services Commission; a Commissioner to hear human rights inquiries conducted by the Human Rights and Equal Opportunity Commission; Past President of the Law Society of South Australia; and a former Chairman of the National Legal Aid Representative Council. He has been a Queen's Counsel since 1988 and is very well qualified for the task.

The procedure for the inquiry is based on the same procedures adopted by the Federal Government when it established an inquiry into the circumstances surrounding the making of a customs declaration on 5 July 1984, conducted by Mr M.E. Black Q.C., the current Chief Justice of the Federal Court. Whilst the inquiry is not a public inquiry, Mr Worthington's final report will be made public. The inquiry is to concentrate solely on establishing the facts, whilst the principles in relation to conflict of interest and the application of those principles to the facts will be determined by the Premier and the Government. It has always been the convention that Ministers are responsible to the Premier in the performance of their portfolio duties and they are also responsible to the Premier for their actions in Cabinet.

Any declaration they are required to make is to Cabinet and, if the Minister fails to make any such declaration, then

it is a matter for the Premier and the Cabinet to decide on the appropriate sanction. This is not a convention which has been developed in response to the matter at hand but a matter of practice followed in all jurisdictions in Australia. Of course, the Minister and the Government are ultimately accountable to the Parliament for the performance of their duties. If members are unhappy about decisions made by the Premier, Ministers or Cabinet then they have the well-established procedures of the Parliament available to them. In any event, whatever action is taken as a result of the establishment of this investigation, that action will be based on facts established independently.

The terms of reference cover the allegations that have been made in Parliament surrounding the introduction of the Gaming Machines Bill 1992, the Tandanya development and the Glenelg foreshore development. There has been criticism of the terms of reference by members, but this criticism has sprung from fundamental misunderstandings about the nature of conflicts of interest and the purpose for which the investigation was established. I seek leave to table a copy of a letter from the Premier to Mr Worthington annexing the terms of reference, and to table copies of correspondence from the shadow Attorney-General (the Hon. K.T. Griffin) and the Leader of the Australian Democrats (the Hon. I. Gilfillan) and my responses to those letters.

Leave granted.

The Hon. C.J. SUMNER: As members will see from my replies, the terms of reference adequately address the members' concerns and consequently the Government does not support any change to the terms of reference and does not propose to make any changes subject to the qualification contained in the letter from the Premier to Mr Worthington; namely, should Mr Worthington experience any difficulties during the course of his investigation arising from the terms of reference or the procedural steps to be followed, he is invited to contact the Premier and consideration will be given to making any necessary changes.

In light of the above, I am satisfied that the investigation will resolve all relevant factual issues arising out of the allegations made in Parliament and I would ask members to cooperate with the investigation by providing any relevant documentation to Mr Worthington. The Government will not support the establishment of a select committee to examine these matters.

MINISTERIAL STATEMENT: ARTS REVIEW REPORTS

The Hon. ANNE LEVY (Minister for the Arts and Cultural Heritage): I seek leave to make a statement.

Leave granted.

The Hon. ANNE LEVY: Mr President, I will seek leave to table the first of a series of reports of reviews into the Arts and Cultural Heritage Department and arts organisations which I released last week. I advise that four of the reports concern the internal divisions of the Department for the Arts and Cultural Heritage, namely Corporate Services, the Executive, the Arts Division and Artlab. In addition, I released the report on the History Trust of South Australia plus an overview of the reports from the department's Chief Executive Officer. I seek leave to table the six documents.

Leave granted.

The Hon. ANNE LEVY: These reports and the overview have been successful in outlining potential savings in administration and bureaucracy without diminishing existing arts programs. One of the significant changes has been the establishment of a State History Centre in Old Parliament House, comprising the Community History Unit and the other existing facilities there.

The other reports deal mainly with internal matters. These reports are the result of six months of detailed examination of the activities of the department, which was established in March last year following the amalgamation of the local government and arts departments.

QUESTIONS

WORTHINGTON INQUIRY

The Hon. K.T. GRIFFIN: I seek leave to make an explanation before asking the Attorney-General a question on the subject of the inquiry into conflicts of interest.

Leave granted.

The Hon. K.T. GRIFFIN: In the terms of reference of the inquiry is the following provision:

> It is proposed that the investigation concentrate solely on establishing the facts. The principles in relation to conflict of interest and the applications of those principles to the facts are to be determined by the Premier and the Government.

In my letter to the Attorney-General on 16 April, I suggested that the terms of reference put the cart before the horse by requiring Mr Worthington to investigate three specific areas without his knowing what principles in relation to conflict of interest will be determined by the Premier and the Government. I also suggested that these principles must be established before Mr Worthington can determine the proper scope of his inquiry. I made the point that, in each of the three areas to be investigated, Mr Worthington must consider what actions the Minister took in respect of any conflict of interest she perceived she had. I said:

> How can Mr Worthington do this if the principles in relation to conflict of interest are not clear? In any event, the question of conflict should not depend on the Minister's perception of the conflict of interest she may have had but on the actual conflict.

The Attorney-General responded by saying that there is:

> . . . no need for Mr Worthington to know in advance what the principles are beyond that which is set out in Standing Orders, the Members of Parliament (Register of Interests) Act 1983 and the Cabinet guidelines on conflicts of interest.

He later said:

> It is a two stage inquiry; the first stage is for Mr Worthington and the second stage is for the body to which the duty is owed. In these circumstances, that body is the Cabinet.

My questions to the Attorney-General are:

1. Does the Government propose that, in the light of the Attorney-General's statement, Mr Worthington will be guided as to what is an 'interest' only by three matters referred to by the Attorney-General, namely, the Standing Orders, the Members of Parliament (Register of Interests) Act 1983 and the Cabinet guidelines?

2. Does the Government propose to develop other guidelines in relation to conflicts of interest and, if it does, along what lines will that development occur and at what stage of the Wiese inquiry is it proposed that this will be done? Will they be released publicly if it is done?

3. Does the Attorney-General agree that the duty owed by the Minister of Tourism, while technically to the Cabinet, is also a wider duty to the community and, whilst she should disclose any conflict of interest to the Cabinet, that is a disclosure designed to protect the community and should therefore be disclosed publicly?

4. Will any Cabinet application of the principles relating to conflict of interest it determines be made public with full reasons being disclosed?

The Hon. C.J. SUMNER: I have tabled all the correspondence between the honourable member and me and between the Hon. Mr Gilfillan and me relating to this matter. That correspondence adequately sets out the Government's position on the issue. Unless there are any further matters that the honourable member wishes to take up, as far as I am concerned that is the end of the matter. Members can make up their own minds in relation to the matters that have been the subject of correspondence between the Hon. Mr Griffin, the Hon. Mr Gilfillan and me. I have made that correspondence fully available to the Council. I believe that what I have said in response to the so-called criticisms of the terms of reference is a complete and adequate answer to those—

An honourable member interjecting:

The Hon. C.J. SUMNER: I know; I will get around to it. I am also explaining that I have tabled the correspondence. I am telling the public of South Australia and reminding the honourable member that I have tabled the correspondence and that the correspondence is a complete rebuttal of the criticisms raised by honourable members opposite about the terms of reference. As I said in my ministerial statement, I believe the terms of reference are adequate. It was clearly stated in the Premier's letter to Mr Worthington that, if he has concerns about the terms of reference, he is entitled to return to the Premier to discuss those matters with him. So, all those issues are on the public record.

The Hon. Mr Griffin has now raised some further issues. I do not think it is necessary for Mr Worthington to be given a fully completed, detailed list of issues relating to conflict of interest before he completes his inquiry. His inquiry is into the facts: it is not an inquiry into the principles relating to conflict of interest. I think that most members of Parliament would agree that it would be inappropriate to have one single person making determinations about what are the principles relating to conflict of interest when those principles are not in the law, except in the declaration of interests Bill which applies to all members of Parliament but which are, as far as the relationship of Cabinet Ministers to Cabinet is concerned, rules, guidelines, conventions, usages and customs surrounding the Cabinet process. I think it is appropriate that in those circumstances Mr Worthington determines the facts and Cabinet determines the guidelines that should apply to those facts. If then Parliament is dissatisfied with the actions of the Government in relation to these matters, as I have said in my correspondence, Parliament has the regular, normally established procedures available to it to call the Government and Ministers to account.

So, I do not think the first question is relevant. The fact is that Mr Worthington is there to determine the facts; he is not there to determine the principles relating to conflict of interest. To answer another of the honourable member's questions, I point out that it is clearly stated in the last two sentences of the terms of reference that it is proposed that the investigation concentrate solely on establishing the facts. The principles in relation to conflict of interest and the application of those principles to the facts are to be determined by the Premier and Government. But then I emphasise the last sentence, 'the principles, the report and the Government response will be tabled in Parliament', so all those issues will be out in the open for the Parliament to take whatever action it may consider appropriate in relation to them.

The honourable member has already had made available to him the guidelines that were laid down by the Premier in 1988. I think there is little doubt that those guidelines need further elaboration and, in fact, they have been elaborated on in other States, but not all. In some other States and the Commonwealth there are more comprehensive guidelines dealing with the issues of conflict of interest.

I intend, with the assistance of officers in my department, to prepare a statement of the principles which may elaborate on those which I have made available to the Hon. Mr Griffin. They are the principles referred to in the terms of reference which will be tabled at the same time as the report. That process will go on simultaneously with but separately from Mr Worthington's inquiry into the factual issues which are contained in his terms of reference.

The Hon. K.T. Griffin: It will be those principles that will be applied to the facts that Mr Worthington discovers?

The Hon. C.J. SUMNER: Yes.

The Hon. K.T. Griffin: The new principles, whatever they are.

The Hon. C.J. SUMNER: Obviously how that matter will be handled has to be developed. We will also have to look at the principles that were in place at the time and which I have made available to the honourable member, because there may be an issue that the principles were insufficiently spelt out. I have already said, in answer to the question, that the guidelines in some respects were inadequate. I think that they could have been amplified further for the benefit of Ministers and members of Parliament.

However, the point I make is that the process will be, first, to look at the principles as they were established and as they are in writing, and as they have been made available to the honourable member and to look at the principles as they should be—the ideal situation—and then those principles will be tabled, along with the report, and the Government will make a response to the report taking into account those principles. At the time that the report is tabled all those matters will be before the Parliament as well, and it will be for the Parliament to determine what action it takes in relation to the matter. It will be up to the Parliament to determine whether it is satisfied with the action taken by the Premier or the Government in relation to the matter.

To answer the honourable member's question and to make it clear in case there is any misunderstanding, the principles will be developed and elaborated, but in looking at this issue we also have to consider that the principles that were in place are the ones which I have already made available to the honourable member and which were signed and distributed to all Ministers by the Premier in 1988.

In addition, in considering the application of those principles to the factual situation with which we are concerned, it might be determined that there were inadequacies in the original principles and that they needed to be more specific and to be elaborated upon, but that will be picked up by the exercise that I have just outlined. As I said, finally, the material will be tabled in the Parliament.

The honourable member then raised the question whether the Minister, while owing a duty to Cabinet, also owes a duty to the community. That is true in general terms, but if the honourable member sees my response to the letter written to me by the Hon. Mr Gilfillan, he will see that that issue is explained. The Hon. Mr Gilfillan said that he did not accept that the Minister's duty was to the Cabinet. I think that displays ignorance of the constitutional principles involved in this matter. Clearly the Minister does owe a duty to the Cabinet. My reply goes on:

You are of the view that the duty is owed to the Parliament and to the public.

This is the point by the Hon. Mr Griffin in his question. My reply continues:

It has always been the convention that Ministers are responsible to the Premier in the performance of their portfolio duties and they are also responsible to the Premier for their actions in Cabinet. Any declaration they are required to make is to Cabinet and if the Minister fails to make any such declaration then it is a matter for the Premier and the Cabinet to decide on the appropriate sanction. This is not a convention which has been developed in response to the matter at hand but is a matter of practice in all jurisdictions in Australia and has been so for a considerable period of time.

Of course, the Minister and the Government are ultimately accountable to the Parliament for the performance of their duties. If you are unhappy about the decisions made by the Premier, Minister or Cabinet, then you have the well-established procedure of the Parliament available to you. As a result of the establishment of this investigation any action will be based on facts established independently.

Therefore, the first duty, as a Minister and a member of Cabinet in relation to these matters, is to Cabinet. Obviously Cabinet and the Government have had a more general responsibility and are accountable to the Parliament, but that does not mean that every potential conflict or appearance of conflict must be disclosed publicly.

Some of the guidelines that I have seen which operate in some other States do not require public disclosure of areas of potential conflict. For instance, I think the Commonwealth guidelines require a certain degree of public disclosure, but my recollection is that they do not require it of every possible conflict. Disclosure in the Cabinet consideration situation may be sufficient if there is disclosure to the Cabinet itself, if it is noted and if it is disclosed to the Premier. The other point that was made in the debate recently on the MFP Bill is that a conflict or an appearance of conflict does not mean that the Minister is automatically excluded from participating in debate on that issue. It will depend on the nature of the conflict.

If, as a result of decisions made by Cabinet, the Minister stands to get a direct financial benefit out of it, then one might conclude again that it is, subject to the rules of the Cabinet or the Premier, inappropriate in those circumstances for the Minister to be present and to participate in the decision. On the other hand, the conflict or the interest may be more remote, and may not even be a pecuniary interest; it may be some other sort of interest which is also referred to in the terms of reference. It may be that a member of the family is involved or something like that, and that may not be an interest which gives rise to a conflict which in turn means that the particular Minister must vacate the seat and not participate in the Cabinet decision.

Therefore, in answer to the honourable member's question, it is not necessary that every potential conflict of appearance or conflict situation should be made publicly available. Those which apply to all members of Parliament should obviously be available, because that is the law of the land which was passed by Parliament, and all members are required to comply with the law in that respect and to publicly declare those interests, and they are available for public inspection. But beyond that a Cabinet Minister may have interests that do not require public disclosure. However, they are the sorts of issues which will be discussed in the principles which I have already outlined and which will be prepared as a simultaneous exercise to the inquiry that has been established. There was a final question of which I did not get a note, but perhaps I have answered it in any event.

STATE TRANSPORT AUTHORITY

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Minister representing the Minister of Transport a question on the subject of a review of the State Transport Authority.

Leave granted.

The Hon. DIANA LAIDLAW: I have received from an unknown source a copy of a memo sent last week (22 April) by the General Manager to the Directors and Deputy Directors of the various divisions within STA, entitled 'The Principles to be Used in Reviewing the Way We (the STA) Go About Our Business'. The General Manager notes:

For the foreseeable future our prime task will be to do better with less. And this means changing the way we go about our business.

He also notes:

The patronage decline over the last few years suggests that some of the services that we are offering are not meeting our customers' needs well enough.

As most members would probably be aware, patronage has declined by 17 per cent over recent years so it will be interesting to see how the STA will reverse this trend and tailor services to meet customers' needs within this reduced budget that the General Manager forecasts.

Certainly the memo gives no hint of the announcement to be made by the Minister the following day (23 April) that a limited number of STA services will run after 10 p.m. with money saved from the pay packets of bus, train and tram drivers. However, the memo does announce a conceptual framework for organisational change, including the possibility of grouping depots under a new regional structure; of grouping activities aimed at identifying customer needs and travel patterns, plus the design co-ordination of services to the customer; and of establishing a group on a commercial basis to acquire, manage and maintain the physical infrastructure, for example, rail lines, the bus way, and interchanges.

The General Manager also advises that he has established three Project Teams to advise and assist with the change process. Project Team A is to propose changes to the services delivered to the public to best satisfy their travel needs. Project Team B is to advise on ways the STA can manage and reorganise its resources. Project Team C is to deal with the people aspect—those who will be affected by the changes and how they will be affected.

While it seems to me that goals and objectives of the organisational review reflect the recommendations made by Professor Fielding four years ago, I suppose the old saying, 'better late than never' is apt in the circumstances. I ask the Minister:

1. In terms of the STA's new goal 'to be highly responsive to our customer's demands', what initiatives will be taken as part of the STA's proposed reorganisation to seek input from STA employees, STA customers and the general public?

2. In terms of the STA's managing 'to do better with less', what savings targets, if any, have been set—$1m, $5m or more—to guide the extent of the reorganisation process?

3. Are all members of the three project teams employees of the STA, or will the STA be engaging the services of management consultants to help guide the reorganisation?

4. What is the timetable for the three project teams to report and for the organisational change to be completed?

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

WORTHINGTON INQUIRY

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Attorney-General a question on the subject of conflict of interest.

Leave granted.

The Hon. L.H. DAVIS: In his correspondence to the Liberal Party the Attorney-General says that the terms of reference are wide enough to allow Mr Worthington to investigate allegations of conflict of interest raised in Parliament. If allegations as to conflict of interest of the Hon. Ms Wiese as Minister of Tourism and Consumer Affairs are made otherwise than in Parliament, will they be investigated, or must they be raised in Parliament before the Government will require them to be investigated?

The Hon. C.J. SUMNER: I am not quite sure what is the point of this question. I would assume that most issues that have been canvassed surrounding this issue have been raised in Parliament. Perhaps I might be mistaken in that assumption but, having sat through three weeks of it, I thought members opposite were delighting in the fact that they were able to raise matters in Parliament in relation to this matter almost daily. The terms of reference cover—

The Hon. L.H. Davis: You have not disputed any facts.

The PRESIDENT: Order!

The Hon. C.J. SUMNER: It is not up to me to dispute them.

The Hon. L.H. Davis interjecting:

The Hon. Barbara Wiese: That's not true, either.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: The Hon. Ms Wiese says that significant rebuttal has come in a number of statements that she has given to the House to the issues raised by members opposite. But as an independent inquiry has now been established, I think those matters should be canvassed before that inquiry and not in the Parliament. The terms of reference cover the three principal issues that were raised in Parliament: the questions are gaming machines legislation, Tandanya and the Glenelg foreshore development.

If there are other matters relating to those issues that members wish to put to Mr Worthington, they are fully entitled to do so. In fact, if the honourable member had been listening, he would note that I said in the statement that I gave earlier today that I would ask members to cooperate with the investigation by providing any relevant documentation to Mr Worthington. So, if the material is relevant to the terms of reference and if members have not already made that available to me I encourage them to make it available to Mr Worthington. The material that was made available to me by members has been handed on to Mr Worthington; if there is any other material, I suggest they hand that on to him as well.

The Hon. L.H. Davis: It might be from someone other than a member of Parliament—that is the point I am making.

The Hon. C.J. SUMNER: So what? I do not understand the point. I would have thought that it is fairly obvious.

The Hon. K.T. Griffin: It might be related to an area that is not related to the three issues.

The Hon. C.J. SUMNER: If it is in an area not related to the three issues, I would expect it to be drawn to the attention of Government. However, the issues that have been raised in Parliament revolve around those three issues. If there are others, I would expect them to be made available to the Government. At some point, the Hon. Mr Elliott said that he had further allegations. In correspondence of 22 April, I asked the Hon. Mr Gilfillan to ask Mr Elliott to refer those matters to me for my consideration, but that has not happened. If there are issues outside the three principal issues that have been raised in Parliament, the appropriate course of action would be to draw them to the attention of the Government and to see whether any change to the terms of reference needs to be made. If the information that members have relates to issues relevant to the three major developments in the terms of reference, they should make it available to Mr Worthington. If they know of members of the public who have information, they are entitled to request those people to make that information available to Mr Worthington as well.

GOVERNMENT VEHICLES

The Hon. I. GILFILLAN: I seek leave to make an explanation before asking the Minister for the Arts and Cultural Heritage a question about State Services and Government vehicles.

Leave granted.

The Hon. I. GILFILLAN: Last week the Minister announced that the Government's fleet of 27 eight cylinder VIP cars will gradually be replaced with six cylinder model Holdens. She was quoted in the *Advertiser* as saying that the move would be both more economical and environmentally sound and that replacing the current five litre, eight cylinder Holdens with a six cylinder version would save about $2 300 a vehicle in purchase price and reduce fuel consumption from 16 litres per 100 kilometres to 12.5 litres per 100 kilometres.

However, I understand that a range of locally produced vehicles by Mitsubishi is both cheaper and more fuel efficient than anything offered by General Motors. For instance, the Mitsubishi Verada V6Xi, which is comparable to Holden's Calais or Ford's Fairmont Ghia, is between 10 to 15 per cent more fuel efficient, while the Verada V6Ei which is on a par with Holden's Berlina V6 and Ford's standard Fairmont, is around 12 per cent more fuel efficient. Figures published in the 1991-92 edition of the Australian Fuel Consumption guide for new car buyers, which is produced by the Federal Department of Primary Industries and Energy, show clearly that current model Mitsubishi vehicles are significantly more fuel efficient than similar models produced by General Motors. Federal Resources Minister, the Hon. Alan Griffiths, states in the foreword to the publication that 'We are dealing with finite resources and we have a responsibility to use them wisely.' They are sentiments that the Democrats have long promoted. The Minister adds:

> We have also become much more aware of the importance of conserving energy as the principal means readily available to us, reduce the impact we are having on the environment, particularly on the emission of greenhouse gases.

I understand that Government vehicle supply contracts are awarded every two years and that the current tendering period to State Supply for the remainder of 1992-94 is not due to close until 18 May this year. I understand that Mitsubishi is offering its vehicles at prices at least $1 000 a vehicle cheaper than General Motors or Ford. In Canberra, the Federal Government has begun purchasing Mitsubishi vehicles by the truck load for politicians and as part of salary packages for senior public servants. It is doing so because of price and environmental reasons. My questions to the Minister are:

1. As the Minister and the Federal Minister both insist that cars must be chosen on environmental, fuel-saving criteria, will she guarantee that the most fuel efficient option will be chosen?

2. Was the Minister aware of the fuel comparison with the Verada; if so, why did she supposedly cite the Holden in the *Advertiser* article?

3. If not, will she now ensure that, other things being relatively equal, the South Australian-made Mitsubishi Verada will replace the Holden V8s?

The Hon. ANNE LEVY: With regard to the honourable member's first question, I advise that cars chosen by the Government are chosen on a number of criteria, one of which is fuel saving, and hence, an environmentally sound criterion; but also very much of concern is the question of cost which, as a taxpayer if not as a legislator, I am sure the honourable member would welcome as a criterion used by the Government in the selection of its cars. In determining the cost to the Government of a vehicle, we always look at its whole-of-life cost. This involves the vehicle's original purchase price, fuel consumption, maintenance costs, and, very importantly, resale value.

The whole-of-life cost is always used in determining the total cost to Government of any particular type of car. So, I cannot say that the most fuel efficient option will always be chosen. It is one of the criteria that is used and it will obviously play a part in determining the whole-of-life cost of any vehicle that is chosen for the Government fleet.

The honourable member's second question refers to a Verada, which I gather from what he said is a Mitsubishi vehicle. I do not study the fuel consumption of the vehicles. I am aware of the document put out by the Federal Minister, but my personal concern comes into play only when I am replacing my own car, which I have not done for nine years—and I do not propose to do so for quite some time.

The Hon Diana Laidlaw: You are increasing the average age of Australian vehicles.

The Hon. ANNE LEVY: I see nothing wrong with having an elderly vehicle.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: In this respect I resemble most Australians.

Members interjecting:

The Hon. ANNE LEVY: I see no problem whatsoever in that. With regard to the vehicles that are chosen for the Government fleet, the Holden Statesman was discussed in the media last week because the current VIP vehicle on contract to the Government is the eight cylinder Holden Statesman. The six cylinder Holden Statesman is now available and has been tested for some time by State Fleet as to its fuel consumption in the normal course of running such a vehicle as part of the VIP fleet.

On the grounds of fuel economy and price differential the decision was made to replace the VIP fleet, as appropriate, with the six cylinder Holden as opposed to the current eight cylinder Holden Statesman. I point out to the honourable member that there are many different makes of cars in the Government fleet. Of course, the VIP fleet has only 26 cars. State Fleet has about 2 000 cars and other cars are held by different Government agencies. There is a variety of makes and models—four cylinder and six cylinder—held by State Fleet and, doubtless, by the other Government agencies.

However, I should stress that nearly every car in the Government fleet is Australian made. There may be exceptions where there is no Australian vehicle available for certain duties; but, in general, they are Australian-made cars. The contracts are renewed periodically and tenders are called at the time of contract renewal. Vehicles are chosen on the basis of tender price, fuel consumption, maintenance costs and resale value as determined by detailed analysis undertaken by State Fleet. I see no reason to change that principle as in this way we ensure the best value for the taxpayers of South Australia. I should also add that the range of criteria used in determining the models chosen has been recommended and endorsed by the Public Accounts Committee of the Parliament.

The Hon. I. GILFILLAN: As a supplementary question, does the Minister recognise that tenders will not close until 18 May for the next supply of vehicles and, before a final decision is made, will she undertake to consult with her Federal colleagues who have chosen South Australian made Mitsubishi vehicles to replace the major cars in their fleet?

The Hon. ANNE LEVY: I am quite happy to discuss matters with my Federal counterpart at any time. However, the criteria that will be used when the tender process closes on 18 May—

The Hon. I. Gilfillan interjecting:

The Hon. ANNE LEVY: —will be the same as those used in the past. They relate to the whole-of-life cost, which takes into account fuel consumption, original cost which can be negotiated with the manufacturer—maintenance cost, and the resale value. These matters are all taken into account in determining the vehicles—there is far more than one brand and model in the State Fleet—that are chosen for the Government contracts. We will continue the practice that we have used in the past, which, I repeat, has been endorsed and recommended by the Public Accounts Committee of Parliament.

HOUSEBOAT HOLIDAYS

The Hon. R.R. ROBERTS: I seek leave to make an explanation before asking the Minister representing the Minister of Health a question about the provision of houseboats for children with life-threatening illnesses.

Leave granted.

The Hon. R.R. ROBERTS: I have been contacted by constituents in Renmark—Mr and Mrs Gordon—who are houseboat operators based at Renmark. They donate free of charge their two houseboats to families of children with life-threatening diseases. They have written to me as follows:

> My husband and I started a service which seems to have grown beyond our financial capacity to manage. Because of the downturn in tourism, we felt that we could offer our houseboats to the Children's Hospital for a relaxing holiday for children with life-threatening illnesses and their families. We originally started this scheme in the periods when we had no bookings. In prime time we are unable to take them because we have to have some income. The need has been so great that some children do not live long enough to have their holiday. Sometimes a holiday prior to major treatment gives them a remarkable psychological advantage which may help in their survival.

The letter goes on to point out that the families are charged only for the food and petrol that they use on the houseboats, with Mr and Mrs Gordon covering most of the other costs and other members of the community at Renmark donating goods and services such as ice and so on.

Mr and Mrs Gordon have estimated that the costs associated with providing their houseboats run to more than $400 per turnaround, depending on which of their boats is used. There is an undoubted need for such a service and Mr and Mrs Gordon deserve our support for providing these holidays to seriously ill children and their families. However, the demand is so great and the financial costs are mounting to the point where Mr and Mrs Gordon are having to turn away ill children and their families.

In the light of this, can the Minister request that an officer or officers from the appropriate department assist Mr and

Mrs Gordon, the charitable groups involved and the medical fraternity at Renmark and at the Children's Hospital, to conduct an evaluation and assessment of the scheme and determine whether there is any assistance that the Government can provide to assist with the provision of this worthy service?

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

AQUAPLANING ON ROAD SURFACES

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Minister representing the Minister of Transport a question on the subject of aquaplaning on road surfaces.

Leave granted.

The Hon. R.I. LUCAS: I have received a number of complaints in recent months about hazardous road conditions which have led to several recent road accidents including, I understand, one relatively recent fatality in the Adelaide Hills. This hazardous condition resulting in aquaplaning is caused by water laying in depressions upon the road surface resulting in ponding. Vehicles subsequently lose control on the road surface when the vehicle's tyres skate on the surface of the water instead of the road. Road users lose control over their vehicle's steering and braking capabilities, sometimes with tragic results.

This hazard has frequently been reported on sections of the South-Eastern Freeway, particularly between Callington and Adelaide. I was contacted yesterday by one constituent who informed me that he and his wife were travelling on the freeway on Monday night at about 90 km/h near Callington in a car fitted with new tyres. They were driving in a straight line when the car just, in their words, 'took off' and the couple ended up smashed against a tree. This constituent said to me, 'Someone must accept responsibility for this because we did nothing wrong.' I have been informed that already there has been a record of a fatality on this section of the freeway when a young motorist similarly lost control of his vehicle.

I have been informed that some remedial action has been taken on the section of the freeway between Callington and Murray Bridge with a new road surface process. This new process uses a coarse aggregate mixture which provides greater traction for tyres but, more importantly, allows rapid penetration of water and reduces the chances of ponding of water on the road surface.

I have also been advised that similar problems with aquaplaning of cars are occurring frequently with new road works done last year at the major intersection of Black Road, Main South Road and Majors Road. The people who have spoken to me are alarmed that, even when driving in a very safe manner, some road users are risking their lives as their cars skate dangerously out of control in these areas. I have been asked why, if the Government is using this new road surfacing process which reduces the chance of aquaplaning on some sections of the freeway, it has not been used in new road works such as my example of the Main South Road. My questions to the Minister are:

1. When will the dangerous sections of the freeway betweeen Callington and Adelaide be resurfaced to solve this problem of aquaplaning?

2. Has the Government used this new road surface process on recent road surface upgradings of Main South Road and, if not, why not?

3. What steps has the department taken to implement a program of signage on road surfaces susceptible to water ponding to alert road users to the hazards of aquaplaning? If none, will it urgently consider implementing such a program?

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

CHILD PROTECTION

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before asking the Minister of Consumer Affairs, representing the Minister of Family and Community Services, a question on the subject of child protection policies, practices and procedures.

Leave granted.

The Hon. J.C. BURDETT: The select committee into child protection tabled a report dated 23 September 1991. I am not sure of the date on which it was tabled, but the report contained 28 recommendations, many of which were important. All recommendations arose, generally speaking, out of the evidence given before the committee. I will highlight two recommendations in particular. Recommendation 7 provides 'that the guidelines (interagency) be finalised as soon as possible'. It was apparent to the members of the select committee that the guidelines being used were draft guidelines. They were not final guidelines, and it seemed to the select committee that this situation was not satisfactory and that the guidelines ought to be finalised.

Further, the 27th recommendation was 'that all cases (of child abuse reported to the Department for Family and Community Services) are allocated', because it was apparent from the evidence that many cases were not allocated. My questions are: what progress has been made with the implementation of the select committee's recommendations? In particular, have the interagency guidelines yet been finalised? Has it yet been possible to allocate all cases reported?

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

SOUTHEND FORESHORE

The Hon. BERNICE PFITZNER: I seek leave to make an explanation before asking the Minister representing the Minister for Environment and Planning a question on the subject of sand replenishment on the Southend foreshore.

Leave granted.

The Hon. BERNICE PFITZNER: Southend is a seaside town and a holiday resort in the South-East about 65 km from Robe. Southend is on what is known as Rivoli Bay. It has a beautiful beach. This Southend beach is being severely eroded, which erosion is said to be due to a drain—known as the Lake Frome Drain—whose outlet is at the Southend beach, next to the caravan park. The local council caravan park land, right on the beach front, is being significantly eroded.

The Coastal Protection Board, in conjunction with the Coastal Management Branch, have tried to improve the situation by carting sand elsewhere and dumping it on the beach—that is, 'sand replenishment', and by the building of 'training walls'—a trial in 1985 and again in 1988. This has cost, to date, $150 000. The board and the branch have stated that 'it may turn out that a combined training wall and replenishment... are not adequate... or too costly'. The local residents and I, from my personal sighting of the

situation, would categorically conclude that the protection strategy is an outright failure in terms of retention of sand and cost. A further $30 000 is envisaged to be spent on more sand replenishment.

We now have a situation where the sand replenishment is washed out to sea, into the next bay, and there is a build-up of sand on the western side of the beach west of the drain, and a significant and continued erosion on the eastern side. The Coastal Protection Board suggests other options. For example, continued replenishment costing $30 000 to $50 000, by taking sand from the western built-up end and placing it onto the eastern eroded end of the beach; the construction of an offshore breakwater costing between $150 000 and $250 000; the construction of a sea wall along the caravan park frontage costing $600 000; or the relocation of the caravan park at a cost of $500 000.

The local residents have suggested the placement of an experimental wooden groyne (a low wall built into the sea) placed east of the training walls to try to hold the sand that is replenished. This will cost approximately $3 000. This proposal was also supported by a Mr Tucker from the board. My questions are:

1. Why are the board and branch persisting in a project which has been given a five years to eight years trial without success?

2. What is the Minister's response to the board's other options?

3. What is the Minister's response to the local residents' option?

4. If the Minister's response to the residents' option is negative, what is the logic and rationale behind the response and is that rationale based on scientific information?

5. Why is the Millicent council apparently not able to make the final decision when the paper by the Coastal Management Branch states that 'while the board and branch will provide financial assistance and technical advice, the choice of protection strategy or relocation . . . must ultimately be made by the Millicent council'?

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

PARLIAMENTARY SUPERANNUATION (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 15 April. Page 4318.)

The Hon. J.F. STEFANI: The Liberal Opposition supports this Bill, which is designed to address a number of issues and inequities which have arisen since the Superannuation Act was first introduced in 1974. The amendments seek to correct the inequity of the current provision which deals with the refund of a member's contribution plus interest when a member leaves the scheme after less than six years of service. In the past, interest has been paid at a very low rate, which has been significantly less than that paid by the public or private sector. The Bill seeks to remedy this situation by allowing interest to be paid at a long-term rate applicable to a Government financing authority.

Similarly, the present Act provides that if a single member dies before retirement from Parliament the estate would receive a refund of contributions plus a rate of interest without reference to market rates. The Bill seeks to correct this inequity by providing a payment to the deceased member's estate, based on a reasonable recognition of the benefits accrued in the scheme up to the date of death.

The Bill further seeks to recognise the four-year life of Parliament in terms of section 16 of the Act and by providing for the payment of voluntary retirement benefits after 15 years or four completed Parliaments, whichever is the earlier. Other amendments seek to provide the board with some flexibility when dealing with pension payments, enabling the board to adopt a more streamlined procedure. The Opposition supports the Bill.

The Hon. K.T. GRIFFIN: Whilst there has been some public observation about parliamentary superannuation legislation, I think that it has been misplaced, because all this Bill seeks to do is address several anomalies which have come into the scheme as a result of the move from three-year terms to four-year terms of Parliament. It also seeks to address what I regard as significant injustice in relation to members without dependants or spouses. As the legislation is structured at the moment, a member can retire voluntarily after serving 13 years, provided that member has served in five Parliaments, not necessarily in full, or 15 years.

Of course, with the extension of parliamentary terms to four years, that was not addressed, and service in four Parliaments now requires 15 or 16 years, so that the option for retirement at 13 years would practically no longer be available. That has the effect of providing a disincentive for members to retire if they so wish and it encourages them to remain in Parliament, potentially to their own detriment if their heart is no longer in the task and perhaps also to the detriment of the Parliament if they show no further interest in its activities. So, that amendment addresses the consequences of the change to four-year parliamentary terms.

In relation to members of Parliament who cease to be members without having served any qualifying period, it seems reasonable that they should receive a proper rate of interest on their contributions. After all, they have been invested by the State for the purposes of the superannuation fund, and it seems unreasonable that members not receive some reasonable interest on their contributions when they cease to be a member without having reached the qualifying period. It may be after one parliamentary term; they may lose the subsequent election or are not preselected, and thus retire involuntarily without reaching the minimum qualifying period of six years. So, it seems reasonable that they be paid more than the 3 per cent interest rate per annum which is in the present Act.

As for members who die without leaving a spouse or a child within the provisions of the Act, again, it seems reasonable that, particularly if they serve for a long period of time, their estates should benefit from some accumulation, not only of their own contributions but also of the benefits which might have accrued and which would otherwise have been paid if they had a spouse or a dependant. The provision in the Bill is that their estate should receive the equivalent by way of a lump sum of three times the balance standing to the credit of the member's notional contribution account, and I believe that is reasonable. I do not believe any reasonable person looking at this objectively would say that members of Parliament are seeking to line their pockets with an amendment to the parliamentary superannuation scheme, because the propositions are eminently reasonable.

I want to make only one other observation about parliamentary superannuation. Whilst the benefits are in many respects generous, what is often lost sight of is that members are required to pay 11.25 per cent of their base salary and

additional salary towards superannuation benefits, and that is more than double what would be payable in the private sector. A member might serve 10 or 13 years and retire with what people regard as a very generous benefit, but that has to be equated, in terms of his or her contribution, to about double that period of service in the private sector, because the member's contributions have been more than double the contributions required for private sector superannuation funds. Whilst many members of the public would not agree, there has to be some recognition of the insecurity that generally goes with parliamentary office, on whichever side of the Parliament a member might sit, and superannuation is a means by which at least some compensation can be achieved for that relative insecurity. I support the second reading.

The Hon. DIANA LAIDLAW: I support the second reading. There has been a great deal of discussion in recent weeks about conflict of interest. I suspect that I should declare an interest in speaking to or at least voting on this Bill, because in some quarters of this Parliament one of the amendments has been called the Laidlaw amendment.

I am not married. It has been a source of interest to me for some years how discriminatory the Parliamentary Superannuation Act was in regard to members who were not married and did not have dependants. I have raised this issue with the Minister of Finance in the past and I thank him publicly for addressing this issue, recognising that we have had equal opportunity laws in this State for many years banning discrimination on the basis of marital status. That has never been reflected in the Parliamentary Superannuation Act, and it is good to see that one of the provisions in the Bill addresses that matter. It will provide payment to a deceased member's estate, if that member is single, based on reasonable recognition of the benefits accrued in the scheme up to the date of death. While I have no intention of dying early or in office, I think the matter had to be addressed. I thank the Minister of Finance for addressing the issue.

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

REAL PROPERTY (TRANSFER OF ALLOTMENTS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 15 April. Page 4345.)

The Hon. K.T. GRIFFIN: I neither support nor oppose the second reading of this Bill.

An honourable member: Have you got something to say?

The Hon. K.T. GRIFFIN: I have plenty to say. I am going to acquiesce in its passing. I am not going to support or oppose it for reasons which my colleague the Hon. Diana Laidlaw spoke about and about which in the other place my colleague the Hon. David Wotton spoke. This Bill is only an incident to a much more comprehensive scheme relating to the Mount Lofty Ranges management plan. If the Bill were to be opposed, it would be argued, I think with some justification, that, on the basis of the administrative acts which are to occur in the implementation of the Mount Lofty Ranges management plan, defeat of the Bill would provide some disadvantage for those who may be affected by the legislation and the administrative acts in the implementation of that plan.

On the other hand, if it were to be supported without qualification, it may be construed as total support for what the Government has done, largely administratively, in relation to the section 50 declaration under the Planning Act and what is subsequently proposed to be done in relation to the adoption of the Mount Lofty Ranges management plan. That is the reason for being somewhat ambivalent about the legislation. If it is rejected, it will deprive those affected by the Government's proposals for the Mount Lofty Ranges of some possible benefit, although that is questionable. On the other hand, if it is supported, it may be construed as acquiescence in the heavy-handed attitude of the Government.

Before dealing with the detail of the legislation, it is appropriate to indicate that I have an interest in the Adelaide Hills that is affected by this legislation, but not as significantly as the interests of many others who will be quite dramatically prejudiced by the administrative acts which have already occurred and which are likely to be put in place finally on 1 July. There is no doubt that, by the exercise of administrative discretion, the Minister has quite dramatically prejudiced individual rights of property owners in the Adelaide Hills affected by those administrative acts. I can appreciate that the basis on which the Minister has acted has been directed towards preserving the scenic environment of the Adelaide Hills, minimising pollution, and dealing with the problem of the maintenance of farming activity.

I do not necessarily accept that this is the way to go in achieving those objectives and addressing those problems. The Minister has taken a head on, typical socialist initiative, and by the stroke of the administrative pen has said, 'Whilst you have had rights in the past to use your property, now you have none,' particularly in relation to the building of dwellings. I would suggest that that is not an appropriate way to address important issues relating to the Mount Lofty Ranges.

Quite obviously it has affected many people prejudicially, and my colleague the Hon. David Wotton has referred to a number of examples in the consideration of this Bill in the House of Assembly. There are those who have acquired property, on the basis of existing law prior to September 1990, for the purpose of retirement and the protection of superannuation entitlements. They have bought a property and subdivided it on the basis that one or more parts would be sold off and the remainder would provide a place for a home for the proprietor. Others have sought to buy a number of allotments together as part of an attempt to provide for ultimate retirement, but they now find that values have depreciated quite dramatically. The full implications of what the Government has done and is proposing to do have not really been fully identified, nor has all the hardship been discovered.

A number of members may have received a letter from Mr R.J. Chappel of Aldgate, which I will read into *Hansard*. It contains helpful information, which members may consider. Mr Chappel wrote:

> My wife and I have owned and occupied as our family home the land at Aldgate, described as follows, since 1955:
>
> Situated 700 metres from the Aldgate township allotments 124, 125, 126 and 127 of portion of section 92 hundred of Noarlunga laid out as Aldgate. [The certificate of title references are then given.]
>
> The land fronts Suffolk, Alderley, and Edgeware Roads. Each allotment exceeds one acre, the total area being approximately 4.5 acres. The holding was created in 1897, and in that 95 years has had two owners: Gordon to 1955; Chappel 1955-1992 (37 years). Being so close to the town of Aldgate and holding land laid out as Aldgate 95 years ago we did not expect to be adversely affected by the proposed management plan.

On being advised by a local land agent that we will be severely disadvantaged if the plan is adopted in its present form, we wrote to the Minister Ms Lenehan explaining our situation and requesting her assistance in returning our land to its original status. Her reply (copy attached) offers no comfort. Hence our approach to you. Our allotments front Suffolk Road, along which the town boundary was drawn in the latter half of the 1960s. We were not informed! However, it seems we cannot build on the vacant blocks if the proposed plan is adopted. We hold three freehold titles and have long believed there is not better investment or security than freehold title over desirable land.

This proposed plan would destroy that philosophy to the disadvantage of all who are in our situation. One wonders what the position would be if such titles had been used as security on a loan. Naturally we are most concerned. We are aged 71 and 68 years and have based our retirement planning on our ability to sell vacant lots if the need arose, or for one or more of our three children to build on them. We seek your assistance.

That is only one of many letters which members of the Opposition have received complaining about the arbitrary nature of the controls which have been placed by the Government upon land in the Mount Lofty Ranges. There has really been no focus, on principle, in addressing this issue. Over the years allotments have been created according to law, and their sizes have varied. I think that 30 years ago one was allowed either a 10 acre or 20 acre allotment in the Adelaide Hills, and from that it went to 40 acres and then 80 acres. It was all directed towards trying to ensure that subdivision was reduced, but in all those instances over the past 30 or so years allotments have been created according to law.

In many instances they were created even earlier than that, as the letter from the Chappel family indicates. According to law they could be on separate certificates of title, and they could be built upon, provided that certain criteria were met. There was no absolute prohibition on building on those allotments except in relation to the hills face zone, where the same sort of arbitrary decision was taken by a Labor Government to prevent building on hills face land, again without any focus upon the principles which ought to have applied.

Notwithstanding that, many people in the Adelaide Hills who have acted in accordance with the law, by the stroke of this Minister's administrative pen, really have nothing. In many cases the value of their land has been depreciated by about 40 per cent or 50 per cent or more. No attention was given by the Government as to how to make properties or farming units viable. No attempt was made to find solutions to pollution problems or to apply conditions which would still allow building to occur in a friendly environment, such as improved septic systems for the treatment of effluent or extensive tree plantings. No attention was really given to reducing the visual impact of buildings by either tree plantings or the discreet placement of buildings. The Government instead took the head-on approach across the board of the prohibition on any further building in rural parts of the Adelaide Hills.

I accept that we want to try to maintain the visual, scenic environment of the Adelaide Hills, but I suggest that that can be done effectively by discreet location of buildings and the requirement to plant and maintain trees, not just native trees, but some of the other sorts of trees which, until the past few years, have been quite prominent in the Adelaide Hills. I would also suggest that the issue of pollution has not really been scientifically or adequately addressed. There is a recognition that there has been increased pollution of the water supply in the Adelaide Hills, but no real attempt other than this very drastic measure has been made to bring it under control. In fact, as I understand it, from several towns in the Adelaide Hills effluent is still running into the creek system, and it is a major contributor to pollution of the water supply system.

I suggest that there are environmentally sound methods to protect against pollution arising from a dwelling house on a 20, 40 or 80 acre allotment, and that such means will not create any measurable pollution impact upon either that particular allotment on which the building is erected or on the surrounding environment. Those are other issues which the Government has not addressed in imposing these bans.

As a result, there has been substantial detriment to many South Australians who have been denied the opportunity of compensation. I am not advocating that; what I am saying is that a proper balanced and scientific approach to this matter rather than the head-on socialist response of the Government could have achieved similar results without the personal hardship and detriment that has been caused.

I have received a letter from a solicitor to whom I sent the Bill, and because I think it makes a number of pertinent points I want to read it into *Hansard*. Whilst some of the issues have been picked up in amendments accepted by the House of Assembly, other issues have not. The letter is from Mr Charles Brebner—I am sure he will not mind if I identify him—a respected practitioner, formerly the Chairman of the Law Society Property Committee and a very experienced property lawyer. Mr Brebner says:

I have been informed of two properties that were part of the original subdivision of the township of Aldgate in 1884. Each property consists of four separate allotments of about an acre each. All services pass the properties. In about 1960, the boundaries of Aldgate were redrawn placing these properties outside the new township boundaries. Under the scheme of which this Bill is part, the owners of these properties will not be permitted to build houses on the allotments or to sell them separately for that purpose. It is estimated that the values of the properties will be reduced by about 40 per cent. I consider it most unfair and unreasonable that legislation should be passed which will deprive the owners of properties of rights which they and their predecessors may have held for 100 years or more without providing adequate compensation.

I think that is a reference to persons in a similar situation to the Chappel family. The letter continues:

Whether this proposal will create rights that will give owners of affected properties in the water supply protection zone any real compensation for the rights they will lose remains to be seen. I assume that this will depend on whether the Bill creates an effective market for the rights it creates. I think it is most unlikely that the rights will be worth anything approaching the amount of the depreciation that the legislation will cause to the value of the affected properties.

It is clear not only that the values of some properties in the zone will be substantially decreased but also that the price of land in new divisions in the ranges outside the zone will be artificially increased, possibly by a substantial amount. If enough properties are affected to warrant this type of legislation, the councils in the areas affected will suffer a large drop in their rate revenue.

An interesting feature of the Bill and the planning scheme of which it is part is that the sale of allotments affected by the Bill is not restricted. An owner of contiguous allotments can retain the allotment on which his house is erected and sell the other allotment or allotments. The purchasers, however, will not be permitted to erect houses on the land they purchase. It will be necessary to ensure that potential purchasers are informed of any restrictions under the scheme. I suggest that either an appropriate notation should be made on the relevant certificates of title or, at least, that all such restrictions should be noted on the Lands Department's computer and advised to persons making inquiries prior to preparing statements under section 90 of the Land Agents, Brokers and Valuers Act.

I pause to suggest that that is an important point which the Government must address. The letter continues:

An even more anomalous situation could arise where a person owns a number of contiguous allotments on which no residential dwelling is erected. The owner could sell all the allotments to different purchasers and they would all be entitled to build on the land at the time they purchase it. However, as soon as one of the purchasers built a house on his allotment, the purchasers of the other allotments would be prevented from building. In my opinion, it should be illegal to sell any allotment on which the erection of a dwelling is prohibited except to an adjoining owner

where the allotment is to be consolidated with the adjoining owner's existing holding.

I also consider that, in cases like this, where people are being deprived of existing rights for the benefit of the community as a whole, the Government should be prepared to pay proper compensation. It should not try to create a market for the rights where it is most likely that the deprived owners will not be adequately compensated and such compensation as is paid will be borne by the purchasers of new allotments in different areas.

I pause again to say that I have made a passing reference to this question of compensation believing that there are other as effective ways of dealing with the issue of pollution and visual quality of the Adelaide Hills as the means which the Government used. I would not be in favour of any restriction on the sale of an allotment, although I think the issue that Mr Brebner raises that an owner could sell all the allotments to different purchasers who would all be entitled to build on the land at the time they purchase it is a very real issue which again the Bill does not address. The letter continues:

Coming to the Bill itself, I agree with the decision not to call the rights created by the Bill 'transferable title rights' but do not like the name 'amalgamation units'. Rights are created and I would prefer to call them by a less misleading name. 'Division rights' comes to mind, with, possibly, a full title of 'Mount Lofty Ranges division rights'.

Clause 3*(b)*. I consider this clause unreasonable. Roads, streets and, particularly, railways in the ranges can be practically impassable barriers preventing people from passing from one side to the other. Reserves may be of any size. Few people, for example, would regard properties on East Terrace and Dequetteville Terrace as being contiguous.

To prevent the building of more than one dwelling on adjoining allotments which could be regarded as one consolidated property may be desirable in the interests of the community. To impose the same restriction on allotments which have no physical connection and cannot be consolidated seems unreasonable and may make the land which cannot be developed useless.

In relation to that point, there are a number of reserves and parks in the Mount Lofty Ranges. I have not checked whether the observation of Mr Brebner is relevant to a number of them, but one can anticipate that the forest reserve at Kuitpo, for example, would create problems. As I understand it, there are people who own allotments divided by that forest but, for the purposes of this Bill, they would be regarded as contiguous and therefore they would not be able to build on more than one allotment or, if there is a building on one allotment, they could not build on the other or sell it so the purchaser could build on it. The same, I suppose, could apply to the Kyeema National Park, a very large reserve with properties adjoining on both sides. This provision would mean that no further development could occur on those allotments which would be regarded as contiguous.

I understand that for planning purposes that definition is commonly used, but I think that, where one places the sort of restrictions on property which this Bill does, one needs to address more precisely the sort of issue to which I have referred. There may be other reserves and parks where the same problem might arise. The letter continues:

Clause 6, section 223*llc*. As the restrictions in the Bill apply to division by strata plan, amalgamation units should be created on the cancellation of a strata plan.

Clause 6, section 223*lld* (2). This provision requires the Registrar-General to issue a separate certificate for each amalgamation unit created under section 223*llc*. Is this the intention? It may be more convenient to issue one certificate for a number of units.

I think that point is largely addressed in the Bill and probably does not need further attention. The letter goes on:

Clause 6, section 223*lle*. The rights should revive automatically if a plan of division or a strata plan is withdrawn or is not deposited. The expression, 'the Registrar-General may revive' should be 'the Registrar-General must revive'.

That is the amendment that I recollect the Government accepted in the House of Assembly. So, it is a mandatory obligation placed on the Registrar-General rather than a discretionary obligation. Again, the letter states:

Under section 223*lli* of the Real Property Act, applicants for the division of land must either:

(a) vest up to 12.5 per cent of the area of the land in the council or the Crown to be held as open space, or

(b) make a contribution in respect of open space.

This Bill will, in effect, cancel the division, or the part of the division held by the applicant, and prevent the sale or development of the land for the purpose for which it was divided. In my submission, contributions paid under section 223*lli* in respect of allotments which are amalgamated under section 223*lld* should be repaid to the person applying for the amalgamation. Where land was vested under section 223*lli*, either compensation should be paid for the loss of that land or, in appropriate cases, the land should be re-vested in the applicant.

Mr Brebner then goes on to make one other observation about a letter from the Minister to the landowners in the Mount Lofty Ranges. He makes some important points, many of which have not yet been addressed by the Bill. It may be that it is not possible to do that, but I think the matter certainly should be given consideration.

Members may have seen reference in the newspaper some weeks ago to a press release issued by Mr Lee Dewhirst of Finlaysons in relation to the potential capital gains tax traps for Mount Lofty Ranges landowners as a result of the scheme. Of course, that is largely an issue that should be addressed in the context of the whole scheme rather than just in this Bill, which as I said earlier is only a part. However, I think it is important to refer again to the issue in the context of the debate on this Bill. Mr Dewhirst states:

The draft legislation dealing with the State Government's Mount Lofty Ranges Management Plan for land subdivision and residential development contains a number of potential income tax traps for landowners and developers. In attempting to resolve a local environmental and planning issue, the Government could be creating a federal income tax liability under the complex capital gains tax legislation, if the draft legislation becomes law.

I think he is referring not only to this Bill but to the whole planning proposal. He further states:

Some of the taxation issues include the:

1. Capital gains tax for (CGT) effect of amalgamating land acquired before and after the introduction of CGT in September 1985;

2. CGT consequences of the acquisition and sale of amalgamation units and allocation rights;

3. CGT consequences for other landowners and developers acquiring allocation rights and applying the units to a subdivision or development.

One of the underlying assumptions of the draft legislation is that a free market will develop for the transfer and sale of allocation rights. The sale of such rights by original landowners is intended to compensate them for the lost opportunity to realise the value formerly represented by their land located in the zone, but now subject to significant planning constraints.

Some landowners or developers of land located both inside and outside the zone will compensate those landowners of land in the zone who will be denied substantially the right to subdivide or develop their land by the Government's planning proposals. However, the higher the compensatory payment, the greater the potential tax liability and affected landowners could be required to use some of that compensation to pay a potential capital gains tax liability arising from transactions occurring pursuant to the draft legislation, if it becomes law. Such a result seems inconsistent with the idea of adequate compensation.

To resolve the uncertain income tax position surrounding the draft legislation, the Government should seek a ruling from the Federal Commissioner of Taxation on the potential capital gains tax liability, so that landowners will know where they stand. In addition, landowners should be aware of the potential for stamp duty liability on creation and transfer of allocation rights and amalgamation units.

I go further than what Mr Dewhirst is proposing and say that, if the State Government implements the whole of this scheme, as it plans to do, rather than seek a ruling from the Federal Commissioner of Taxation on the potential capital gains tax liability, it should make some representations to the Federal Government to ensure that the scheme

does not attract such a liability. It seems to me that that is the least this Government can do in view of the imposition of this scheme upon proprietors of land in the Adelaide Hills.

The transferable title rights or allotment system proposed by the Bill is a totally untried concept. The Minister acknowledges that in the second reading explanation by stating:

> Such an arrangement is novel in Australia, although it has some parallels with the transferable floor area scheme applying to heritage listed building sites in the city of Adelaide.

Planners who have made representations to me say that, whilst there may be some comparison, the analogy is not an appropriate one to make and, in fact, the transferable floor area scheme is quite a different concept effectively from that proposed in this legislation. One has to raise questions about marketability and about the sort of market that will be created—the sort of attraction that this system will have for vendors and purchasers. However, that is something that can be judged only in the future.

My colleague the Hon. David Wotton raised one other matter in the House of Assembly. As a result of that, the Government accepted a number of his amendments. The matter relates to the security that a right to an amalgamation unit might provide. Under the Bill as it was introduced in the House of Assembly, a problem was created that the right to an amalgamation unit effectively became separated from the freehold. If there were a mortgage or a caveat on the title, it would not necessarily follow the right to an amalgamation unit. That has all been changed by the amendments that were accepted by the Government. Now the right to an amalgamation unit will be subject to the same security that attached to the principal title—to the freehold.

The right to an amalgamation unit itself will now be able to be used as security. That is a step forward. It was a concern expressed to me by the Australian Bankers Association, the Australian Finance Conference and a number of other organisations, which all saw that there would be some prejudice to securities already in existence if these amendments were not made.

So, it is on that basis that I repeat what I said at the beginning of my second reading contribution; that is, that I do not indicate either support for or opposition to the second reading because this legislation is only an incident to the wide-ranging Mount Lofty Ranges management plan, which will largely be an executive act of Government and not a legislative act of this Parliament, although it has quite devastating effects on many hundreds and possibly thousands of ordinary South Australians who happen to be prejudiced by the operation of this scheme.

The Hon. J.C. IRWIN: I rise to endorse the views just expressed by my colleague the Hon. Trevor Griffin and those expressed previously by my colleagues when this matter was last debated before Easter. I express an interest in this matter, although not a pecuniary interest. Two of my responsibilities are as Opposition spokesperson for the areas of local government and agriculture. This subject of transferable title, and the whole debate around it, covers at least those two areas. Members may recall that the Local Government Association, through its special committee which was set up to look at the Mount Lofty Ranges development, gave express advice to the Minister for Environment and Planning on what should happen in relation to the Mount Lofty Ranges. That advice was not taken, despite millions of dollars of work being put into it and an extremely long consultation period with people of the Mount Lofty Ranges and of the State.

With respect to agriculture, I have always had an interest in what I would call the heritage land of South Australia. In this case it can extend from the Barossa Valley, through the central Mount Lofty Ranges down to the Willunga area. I use those three areas to express my concern about what may happen to what I term heritage land. I acknowledge that there are within South Australia other areas that can have that title. I expressed in this place some time ago my concern about this sort of land. Using the Willunga Basin as an example, fourth and fifth generation farmers who are farming that land have said to me, 'What is the future for us? We don't know whether to try to aggregate the land for agricultural purposes or use it for grapegrowing and winemaking purposes, or whether we should sell some of it to the Urban Land Trust and other developers which one day might take over much of this land for subdivision and for the expansion of the greater city of Adelaide.'

I express some concern about the activities of the Urban Land Trust in that area. I am not sure whether it is still active, but it certainly was in buying up agricultural land for its land bank and having the resources to be able to hold it for when the Government of the day might well decide in favour of that land being able to be subdivided. I have pleaded with my parliamentary colleagues about this matter. We often talk about heritage, heritage buildings, wilderness and all these other things, but we do not talk about or defend the heritage lands of South Australia. Many of them are already built over by the sprawl of the greater city of Adelaide and some of the newly-growing outer suburban areas.

It is understandable why so many Hills residents are angry with the Government's plan for the Mount Lofty Ranges. There is little doubt that many do not understand what is happening or what their future holds. As this debate unfolds, people are becoming more aware and there is a better understanding. However, at this moment there is little doubt that many people do not understand what is happening. In September 1990 the Minister introduced a freeze on development in the Mount Lofty Ranges, and we have heard that this was necessary to stop land speculation. We may have seen speculation stopped, but we have also seen landholders losing their rights or being severely affected by this freeze. Once again we are debating a piece of legislation without knowing all the facts and without fully understanding the overall picture, and the consequences of this Bill are still not clear in the final washup with the management plan.

Already we have seen the Minister change her stance with the transferable rights now applying only to that land which is in the water catchment area and not, as originally envisaged, in some of the other designated areas outside that catchment area. In the Minister's second reading explanation, she said:

> In seeking to manage the difficult issues of protecting the public water supply and the opportunity for the continuation of primary production, the Government has sought to use not only the traditional planning controls over development activities, but to provide an active scheme which benefits those landowners whose opportunities are constrained by the development controls.

I wish I could see some positive evidence where this scheme will benefit the land-holders whose opportunities are constrained by these development controls. Perhaps the Minister and the Government in general can enlighten not only me and my colleagues but also the land-holders during this debate, although I tend to doubt that. As the Hon. Mr Griffin said, this is only one small tool really in some of the executive decisions that can be made by the Government relating to the Mount Lofty Ranges.

Urban development in the Hills townships is placing further restrictions on farmers who are trying to make a living in the Mount Lofty Ranges. People have been complaining for some time about the noise of scare guns which are used in the fruitgrowing and market garden areas, and the noise of machinery as it clatters about doing its productive work. There have been complaints also about the perceived danger of chemicals, even the smell of organic fertilizers and (going back one step further) the smell of dung that comes from the animals that are grazing healthily in the Hills.

I have often said in here that Governments are very much to blame for what I call the raping of the soil, if such a thing is going on, because the more Governments force taxes and charges out of land-holders by regulations and increased red tape, the more they force people who own agricultural, broad acre and horticultural land to get more and more out of that land. There are scientific developments which allow this to happen, but that would result in the increased use of chemicals and what may well be long-term damage to the soil structure. The larger the townships become, the greater the protests against the farmers, who are doing their best to use methods which are more environmentally acceptable. Although sometimes they are noisier and smellier, they are nevertheless better for the environment generally.

Transferable title rights were first canvassed in March 1989, as I understand it. Little was understood then of the final plan. There is even still some confusion, as I mentioned previously, about how they will work, what that final plan will be, and how far it will extend. What will be the end result for the farmers? No-one knows for sure whether this plan will work. We do not even know for sure if there will be a market for those transferable titles.

In many cases it has been mentioned in this debate and previously that farmers and farming families have used the proceeds from subdivision for their superannuation or retirement packages. As you, Mr President, would know, unless they take them up specifically, farmers do not have any organised superannuation schemes, long service leave or sick leave entitlements, all benefits that are available to other people.

These structures are not available to farmers and, although I say that they can take these out individually, in many cases they did so under the law up to about 1989; then they were able to envisage that some of their land could be subdivided and they would be able to retire on that small subdivided block or they would be able to sell some of that subdivision in order to pass the farm on to some other member of their family or sell it for other farmers to aggregate. They might have had one or two blocks that they could sell to keep themselves in retirement and not be a burden on the other taxpayers of this country. That point should be made pretty clearly.

The loss of the capital asset base to the farmers affected by this move to transferable rights has not been calculated yet, as far as I know. A lot of work has been done on it by a number of people, but there is confusion about what the effect on the farmers and the Mount Lofty Ranges will be in terms of cost. It is all these farmers have; it is their livelihood now and will be their superannuation later. For many farmers credit availability has now been eroded and farmers should always have the right to retain the right to sell off a portion of their land to the next-door neighbour for aggregation. This would be in the spirit of the Bill, in seeking to maintain viable and sustainable agricultural holdings in the water catchment area as much as outside it; not allowing the farmer to increase the size of his holdings could be in conflict with what we are arguing. I do not see any signals at all from the Government or the Minister for Environment and Planning that there will be any constraints on the aggregation of farming land and the ability to sell it freely amongst farmers or those who are seeking to be farmers in that Hills area.

If this Bill is passed many farmers will lose many thousands or hundreds of thousands of dollars, some immediately and some further down the track in reduced capital values of their properties. Imagine how they will feel when later on, with the introduction of the Mount Lofty plan, some of those same farmers who are now earning a living in dairying or some other intensive culture will be told, 'Sorry, you can no longer farm your land the way you are doing now; it is polluting the water. You must find some other way of working your land.'

Some other farmer may have to lose a considerable amount of land to fence waterways, wetlands, saline land and so on. He may lose the right to use his dams for irrigation and may lose the full use of a bore; he will no longer be able to irrigate his crops; and there could be other examples of how the farmer will lose out further down the track from now. One starts to think about the moves that have been made in other parts of this country and in other countries where there has been very emotional discussion about legislation, or even the need for the right to farm. We are certainly getting closer to considering that we should have legislation giving the rights that have always existed for people to farm.

As the Hon. Mr Griffin and others have said, when we apply the principle of user pays, we should look more closely at who are the users of the water and which people are paying. I put to members that in most cases it is probably the person who is farming in the Mount Lofty Ranges, the Barossa and Willunga areas. In the central Mount Lofty watershed area, they are the people who are paying for the quality, not the people at the other end of it, here in Adelaide, who drink and use the water. I hope that is thought out very carefully if there is any thought of compensation for farmers; if we are to impose various legislative measures on people we cannot do so without some compensation.

Just as we argued during the passage of some legislation a few weeks ago concerning the egg industry and as we have often argued with other legislation, people build up an expectation of legislation that is properly passed in this place and is legal, and the Government or Parliament comes and pulls it away. That is totally unfair on those people who have built up this expectation under the legislation to have a completely new ball game which means that they, and not the people who will benefit, must foot the bill.

I return to what we have had to do with 1080 poisoning of rabbits or dispensing with DDT. All those practices might be sustainable as good and proper for the quality of food and the ecology in the State, but no-one other than the farmers is paying for them. I can tell members that the cost of 1080 poisoning increased three or four times when we were required to alter our use of it. Particularly with DDT, the replacement chemical was two to four times more expensive. I paid for that because my product that was coming off the pasture which was treated by the new chemical that replaced DDT went on the open market and was not sustained by subsidies paid by the people of South Australia or Australia. I use those examples to illustrate why we should be very careful, and I hope we are careful, when we say who are the users and who pays for the quality of water.

A contribution has probably been made by the Hon. Peter Arnold in another place about some thoughts on future water storages for Adelaide. Briefly, he envisages that new reservoirs would be built out of the fragile areas within the Mount Lofty Ranges, where a population build-up is unlikely or has not occurred and where no problem is being experienced with polluted run-off waters coming into those dams which should be built, perhaps on the eastern slopes of the Mount Lofty Ranges. Then, at times of peak flow of the Murray River, which we use anyway, we would be using the same source as well as local catchment water. When the river flows heavily to the sea (probably when the Snowy Mountains snow is melting), the cleaner water could be used. Let us face it: the Murray River is a sewer and does not have the greatest quality water. However, the water is of better quality when it is flowing to the sea. We should then pump vigorously into the new reservoir areas so that that water could then be used by the people of Adelaide if we are told—

The Hon. M.J. Elliott: It would be more expensive water.

The Hon. J.C. IRWIN: It would be more expensive, but it might be cleaner and involve a better use of resources than eventually to close up the Mount Lofty Ranges totally to urban and farming development. I ask whether local government will take pity not just on broad acre farmers but also on hobby farmers and people who want to live on a few acres in the Adelaide Hills, the capital value of whose properties has been reduced, by reducing the rates for those properties. This is quite interesting, because as I understand it, the capital value of properties in the Mount Lofty Ranges where there is the right to undertake subdivisions was taken into consideration by the Valuer-General. Therefore, these farmers with that expectation of subdividing would have been paying rates on increasingly high capital values, and their rates would have been calculated on those values over a number of years (I am not sure how many). So, they have already paid quite a high amount above the rate for broad acre agricultural grazing or horticultural land, because it includes that subdivision component.

As all ratepayers know, if the capital value of a district goes down by 10 or 20 per cent, the council has no option but to increase rates to bring in the extra 10 or 20 per cent to maintain the flow of money that it had the year before. If transferable title rights are in operation in the catchment area, the capital values of many of those properties will decrease, but I doubt whether rates will decrease because the council will still argue that it needs the same number of dollars to run the council and the services that are demanded. Therefore, there will be a dramatic cut in the services in those areas. Of course, that may be taken up by the Grants Commission. I do not know, and I am not going off on that tack, but it will be interesting to see what happens. Because the ability to subdivide is taken away, I do not believe that will be reflected in lower rates. It may be reflected in lower capital values which will help with some of the other Government charges based on capital values, but it will not help with local government rates.

The Hon. David Wotton in the other place quoted two sources regarding water. The E&WS Department's annual report of 1985-86 stated:

> The quality of water harvested from the watershed is poor and continues to deteriorate.

The E&WS, in the Mount Lofty Ranges review investigations report of September 1991, states:

> There has been no measurable change in the quality of water entering the reservoirs since 1970.

Those are two interesting quotations. I will come to one of them later, but it is interesting that there has been no measurable change in the quality of water since 1970—22 years ago. It will be interesting to see how much agricultural and urban development has taken place in the Mount Lofty Ranges since 1970, because the measurable change has been negligible.

Prohibited development, if it is not to cause deterioration in the water catchment, should be reviewed. There is no point in banning outright all development if that development is not going to cause any harm. A significant proportion of the blame for the breakdown in the quality of water must rest with the Government for allowing its own departments to let such things as sewage treatment works get behind and in some cases deteriorate to such an extent that raw sewage is flowing into the water catchment areas. That argument has been put succinctly before and I underline it. I understand that is one of the major pollutants of the area.

I also understand that what used to be called common effluent drainage schemes have seen an increase in the past two years, and they are sitting on about $3 million a year. That is a handy bit of money, but it is augmented by the people who use the scheme. It is like a seeding grant for effluent disposal and proper treatment of effluent by local towns. I have been through it with two of the towns in the Tatiara district, so I know something about the scheme. I have also argued that not enough has been put into the prime areas of the Hills. If that was a problem, then in 1992 raw effluent should not have been going into the Hills streams and flowing down and polluting some of the water catchment area and, if it is not doing that, coming out into the flats and the sea and polluting those areas as well.

In her reply in the other place, the Minister for Environment and Planning quotes the level of phosphorous in reservoirs as being too high. There is no real explanation of how this phosphorous got there—only an assumption that farmers are the real problem. There is no argument either as to whether anything else is polluting the water. There seems to be some confusion about this pollution. We should look at the River Murray argument and debate about some of the towns in Victoria and New South Wales wanting to put effluent into the River Murray. Many people were again pointing their fingers at the primary producers, but, as I recall, the analysis showed that urban effluent was causing 60 per cent to 70 per cent of the pollution, not the farmer from the use of superphosphate and so on.

In the debate the Minister for Environment and Planning says that the demand/supply ratio is 3:1. I presume this means that there will be a greater demand for titles in townships than there are transferable titles. On Thursday night last week the Onkaparinga council had a meeting with ratepayers to approve of the town boundary being extended. Surely this sort of thing would reduce the ratio that is presently being quoted.

How does moving the right to build in a town from a farm block stop the phosphorous build-up in our water supply? Is the pollutant human or farm waste? If it is human waste, why does moving it from one area to another stop pollution, especially if the sewerage is sufficient to stop seepage into the water catchment? If it is the farm polluting the water, how does moving the right to build on a farm to a town stop that agricultural pollution? Has anyone been given any indication as to what rights the farmers will have further down the track when legislation is brought in regarding sustainable agriculture in the water catchment area?

Because of amalgamation rights there could be development in towns that would not normally have taken place. Farmers who now own several titles would not necessarily sell off those vacant blocks, either in the near future or maybe ever. They may have a block of land with several

titles which they prefer to keep as it is. If the Bill goes through, those same farmers may sell their titles. That will increase the development in the Hills that would not otherwise have happened. The overall outcome could be that we will end up with more houses in the Hills than before this measure was taken into consideration. I am sure that is not the spirit of the Bill.

I should like to conclude by reiterating some of the aims of the Mount Lofty development plan. They are to protect water resources from contamination by improved land management and appropriate land use planning and to ensure that the costs and benefits associated with the management, protection and use of water resources are shared equitably. The costs associated with managing, protecting and controlling the use of water resources should be borne primarily by those who benefit from the improved quality or sustained yield of water. I have already mentioned that. Costs associated with the issue of licences, permits and activities associated with the normal management of water resources for the local community should be borne by the community. Costs associated with special protection of a resource from an external user should be borne by the community that benefits. The beneficiary pays (that is, the urban water consumer) for any land management or pollution control requirement in excess of that normally required because of a high beneficial use.

These recommendations sound good, but I wonder whether we shall see them put into place and administered fairly. I have a dual interest in this matter from the point of view of the local government part of the proposal for the Mount Lofty Ranges and of agriculture, so I shall watch this matter closely.

The Hon. BERNICE PFITZNER: I will speak very briefly on this Bill, as my colleagues in the other place and here have expressed all the concerns which I also have. As we know, this Bill is an enabling legislation which allows the transfer of development rights or title rights from one area of restricted development to another area of consent or permitted development, and in this instance that is the Mount Lofty Ranges. This legislation is of great concern, as it directs us to a particular system of compensation, which system may not be the right or appropriate one for the Mount Lofty Ranges. This system is a new one in South Australia and, indeed, in Australia. The system has been used in America to a great extent, where it is called the 'transfer of development rights', and it is used as a complement to stricter zoning controls. The transfer of development rights is a technique for directing growth to more appropriate areas, so we in the Mount Lofty Ranges are trying to protect our agricultural farm land and, just as importantly, we are trying to protect our high water sensitive zone, which, as we all know, provides 60 per cent of the water of Adelaide.

However, although this transfer of development rights has been used quite frequently and occasionally successfully in America, the proponents caution us that to enact a successful program, three elements must be present: first, we must have a strong development market, and I ask this Council whether we have this at this time. Secondly, we must have an exclusive agricultural zoning district. A recommended zoning district in the United States is at least 20 acres for a minimum-sized lot. As well as protecting our agricultural zoning areas, we are also protecting our sensitive water areas. Thirdly, to have a successful transfer of development rights system, we must also have a sophisticated planning department. In this area our planning department has no experience, and I do not feel confident that our department could manage such a new and innovative system.

As the article states regarding the American experience, very few places have all these three elements to contribute and provide for a successful system of transfer of development rights. In America there is another strategy, system or method of trying to protect land, which is known as the purchasing of development rights. That is the payment to landowners up front to protect their properties permanently. The payment is made through local or State governments. In the United States the experience nationally has been that the average cost of an acre of purchase development rights has been $1 500, and this is said to be a very high price, but one which many local and State Governments have found to be worth it. This system of purchase of development rights has been supported by many participating farmers, and most farmers use the payments of these rights to reinvest in their farms. They have also said that the purchasing of development rights programs has a stabilising impact on agriculture in that area, since it enables the farmers to realise development equity without having to sell their land.

The purchasing of development rights is financed in the United States either through State or Government bodies, through what are called bonds. Furthermore, there has been an increase in what are called private land trusts. They have grown in importance. They were initially used to protect open space resources and are being increasingly used for the active promotion and protection of farm land. We should and could also look into these kinds of trusts as a further technique of farm land and water protection.

Therefore, these different techniques have not been researched or looked into. Another variation of the purchase of development rights system was recently used in Montgomery in the State of Maryland. In this system a numerical formula rather than an appraisal to determine the price that the county pays to farmers is used to restrict their land to agricultural use. The purchasing of development rights programs has given the county an increase in the right to farm and has increased the confidence of farmers to remain on their land and develop it as agricultural land. It is said that this kind of program creates less dissatisfaction by cost, delay and unpredictable development rights. Although it gives a higher price for development, it also gives security and satisfaction to the farmer to remain on his or her land.

Farmers in the reserve in that area may sell the development rights, and the base price per acre is set annually by the county. Large farms with fertile soils, extensive road frontages and conservation practices may earn what are called bonus points, which translate into higher per acre prices. Landowners who earn a substantial part of their income from farming also get bonus points, since they are likely to be under the most financial pressure to sell. Purchasers are determined by a bidding or auction process, with the highest priority given to landowners whose asking price is below the formula price. The process tends to give farms with desirable qualities an advantage, and has led to the preservation of some of the county's best farms. I identify those different methods and techniques which are being used in the United States and which are new to South Australia and, indeed, to Australia.

I move on to my own council of East Torrens, which has huge areas in this water protection zone. After a meeting between ratepayers and its own councillors, the council stated that the Minister's proposal for contiguous allotments under single ownership is manifestly unfair to some ratepayers in East Torrens.

The stated planning criteria for the creation of clustered rural residential allotments will mean, in effect, that in East Torrens the owners of contiguous allotments under single ownership will not only lose their right of residential development on all but one of the allotments but also be denied the ability to cluster residential developments on their properties on a 'one for two' basis because East Torrens is an area of very high water sensitivity zoning. If this interpretation is correct, it will mean that East Torrens landowners will be unfairly discriminated against relative to landowners in other council areas in the Mount Lofty Ranges. The Minister's proposal will affect relatively few titles in East Torrens. In fact, from looking at the map and proposed plan, it seems that the number of affected contiguous allotments will be about 36 only.

I now wish to refer to the proposed strategy of the East Torrens council. The council's alternative proposal is based upon voluntary non-compulsory transfer of residential development rights on all vacant allotments, single as well as contiguous. It is more likely to be much more effective than the Minister's proposal in reducing the number of residential developments in East Torrens.

East Torrens is a particularly valuable asset to South Australia. It encompasses not only a very important part of the Mount Lofty Ranges water supply protection zone but also large areas of horticulture, viticulture and remnant native vegetation. The scenic attractions of this area, which is only 20 minutes from the centre of Adelaide, represent a significant tourist attraction for the State. Any proposal which has the potential to protect the water catchment, to protect desirable horticulture and viticulture, to protect and improve areas of remnant native vegetation and to protect and improve the scenic attractions and the small-scale tourist potential of the area should, in my view, be actively and positively considered and pursued.

The details of the separate proposal for East Torrens are that the owners of all vacant allotments in relevant areas of East Torrens should be given the opportunity to voluntarily relinquish their rights to build a residence on their particular allotment or allotments. The inducement for owners of vacant allotments to voluntarily relinquish their residential development rights must be in the form of a financial inducement and, for the inducement to be tempting to the landowner, it must be fair.

A formula could be derived to take into consideration the value of the allotment with intact development rights and the value of the same allotment with relinquished development rights. Although the formula could include other relevant criteria, in essence, the difference between the two previously mentioned values would be the amount due to a landowner prepared to relinquish his/her rights, and the rights of any future owner to place a residential development on the allotment concerned. An allotment with relinquished residential development rights could either be retained or sold as a separate title, be amalgamated with a contiguous title under single ownership or be sold to the owner of an adjacent allotment and the two titles amalgamated.

The funding for the purchase of relinquished development rights could come from a specifically created Mount Lofty Ranges land trust. The sole purpose of this trust would be to manage the funds required to recompense landowners who are prepared to voluntarily relinquish their development rights on land in East Torrens and perhaps in other specified areas of the Mount Lofty Ranges. The source of funding could, for example, be a levy on E&WS water usage in South Australia or the sale of 'development rights', which could be required for the extension of otherwise frozen town boundaries in selected townships outside the Mount Lofty Ranges water supply protection zone such as Mount Barker, Strathalbyn, Yankalilla, etc. Payment to landowners prepared to relinquish residential development rights could be deferred for, say, one year from the date of relinquishment and then made in equal instalments over a period of, say, five years without accrual of interest.

So, these are some of the strategies, both local and international, that one could use to try to preserve and conserve very important areas, but we have been directed by the Minister through this Bill to move in only one direction. We are not at all sure whether this direction is the correct one, nor are we sure what kind of research has been done on this direction. There are many different types of systems that we could use. Which is the most suitable system for this very important area of South Australia, the Mount Lofty Ranges? I feel that we are unable to be quite sure that we have made the correct move. So, all we can do is keep our fingers crossed, hold our breath and say a little prayer to make sure that we have got this system right. Fortunately, my Party usually researches such changes in plans, but, unfortunately, I cannot say the same for this Government.

I support the second reading with great hesitation, doubt and concern, but we must push this legislation through because we are about to go into recess and something must be done, although we have taken four years and spent hundreds of thousands of dollars without achieving a concrete, fully-researched, comprehensive program and system.

The Hon. M.J. ELLIOTT: I rise to support the second reading of this Bill. For more than a decade—in fact, some would argue several decades—there has been the need for action in the Mount Lofty Ranges water catchment area. Despite all the dithering and lack of political will, we are finally debating one small section of an unfortunately watered down scheme. Whether it is enough and whether it will have the desired effect is a matter for debate.

In order to achieve anything in the ranges, agriculture and conservation must work hand in hand for the future benefit of the ranges. No cooperation will be to the detriment of all concerned. A number of changes in practice are needed in agriculture but, as they would be of benefit to the State, farmers should not bear the brunt of the cost. The State must make an investment to achieve change. As an example, I point out that a levy has been placed on sewerage service fees to pay for the work needed to put an end to sewage sludge discharge. A nominal levy on water bills could help to start a program for change in the Mount Lofty Ranges.

After the four year review we still have no clear plan of action. What are we looking for and what do the ranges need? Among the priorities that can be given is, first, the protection of riparian zones. This would involve probably fencing off and planting with vegetation along major stream lines and the relocation of some industry. One example is dairying along creek lines. However, I stress again that the cost should not be borne by the farmer.

There should be changes in farm practice. As another example, we should look at the fertilisers that are used and how they are applied. There is now quite significant evidence that fertilisers are being applied at such rates and in such forms that not only do they find their way into the streams by way of surface water but also a significant amount of it goes down in the ground water until it hits bedrock and eventually finds its way into the streams. It contributes significantly to the pollution load, particularly of nitrates

and phosphates, that we get in our creeks, streams and, of course, eventually in our reservoirs.

Tillage methods needs to be examined as well. Many areas in the Piccadilly Valley have well and truly lost their top soil. In fact, some of them are down to the third zone. In that area, farmers are really carrying out hydroponic operations, where water and fertiliser are placed on the subsoil, enabling agriculture to continue. The State will have to find ways of bearing the cost of this work.

The major issues facing the ranges are deteriorating water quality, loss of productive land to housing and loss of remaining native vegetation. Any plan that is developed must attempt to address all three problems. I think we can come up with a means by which there are no losers as South Australia seeks to protect its water. I understand that the water harvest in the Adelaide Hills is worth $100 million per year. I note that the Hon. Mr Irwin suggested that we pump more water from the Murray River. That is far more expensive and, while we have enough trouble controlling the quality of the water in the Mount Lofty Ranges, at least we have total control over it. As a State we have no control over what happens in the Murray River on the other side of the border. Putting any faith in the Murray River as our major source of water is foolhardy in the least. We do not really know a great deal about the future in relation to the Murray/Darling system regarding both quality and quantity of water. So, we must protect the water catchment in the Mount Lofty Ranges.

The Mount Lofty Ranges are also a significant producer of agricultural goods. It is most unfortunate that we have lost so much of South Australia already. Much of our best farmland has been lost to the spread of suburbia. The whole of Adelaide is built over probably the best agricultural land outside the South-East of the State. Certainly, prime horticultural land around places like Athelstone—significant vineyards and so on—has been lost. We now see Adelaide creeping onwards down into the Willunga basin and up towards the Barossa Valley and, of relevance to this legislation, it is finding its way out into the Adelaide Hills.

We cannot afford to lose more good farmland; it is absolutely criminal that we are allowing that to occur. We will have to adopt a similar attitude to that which has been adopted in Oregon, where there is hard zoning. Boundaries have been drawn around its cities limiting development. That means that developers must come up with very imaginative ideas about how this city will expand from that point. However, that is not beyond our capacity. We have not reached the extent of hard zoning in the Mount Lofty Ranges; it is probably closer to soft zoning at this stage.

When the Mount Lofty Ranges review began in 1986, apparently there were about 9 500 vacant allotments in the water catchment area. Today the Conservation Council tells me that there are 6 800 lots. So, in the six years that the review has been proceeding, close to 3 000 allotments have been built on. On 29 January 1992 the Government finally released a set of proposals aimed at achieving its three goals. Those three goals were stated to be:

1. The enhancement and protection of the natural and cultural characteristics of the Mount Lofty Ranges through the management and protection of places of conservation value, cultural significance, scientific interest.

2. The management of the water resources of the Mount Lofty Ranges on an ecologically sustainable basis and protection of them from degradation through over use and contamination, and the enhancement and protection of the quality and yield of water from that area of the ranges used for harvesting the public water supply.

3. The protection and enhancement of sustainable commercial primary production land uses and the rural character in the Mount Lofty Ranges.

After public consultation those proposals—which included what are being called transferable title rights and tight controls on where any further development was to take place—were significantly watered down. By way of a press release, the Conservation Council has outlined five major problems with the new proposals. A release of March this year outlines the problems as follows:

1. The absurdity of dividing the Water Supply Protection Zone into two sub-zones—one with marginally higher rainfall than the other, but both equally sensitive to degradation from intensified development.

2. The disaster of allowing a chicken pox of 'clustered' housing in rural areas of the Water Protection Zone—virtually establishing action groups to demand costly urban infrastructure, quite apart from the degradation of water quality that will result.

3. The glaring inconsistency of allowing new 1 000 square metre allotments in township precincts (or in some cases 4 000 square metres) in the Water Supply Protection zone, when in rural areas of the Water Supply Protection Zone it is acknowledged that any subdivision whatsoever will lead to water quality degradation.

4. The 'about face' of allowing townships in the ranges (outside the Water Supply Protection zone) to expand their boundaries, thus guaranteeing Mount Barker and other towns will become major metropolitan growth areas—totally contrary to previous long-term planning policy for Adelaide, and pre-empting the State Planning Review.

5. The unprecedented and unearned creation of rights to cluster allotments in rural areas outside the Water Supply Protection Zone without any purchase of transferable title rights. This will lead to pockets of suburbia whose interests are incompatible with rural interests, and does not form any part of a system of checks and balances as previoiusly proposed.

While I have said that I support this Bill, my support is qualified by saying that this is a very weak version of what was originally proposed and it is only a very small part of what will need to be done eventually.

It is also worth noting the political interests which have hampered this proposal and which have confused and panicked landowners for very selfish reasons. The Minister made a mistake—although she did not realise then—making a major announcement at the time that preselections were about to take place in several Mount Lofty Ranges Liberal-held seats. If one does an examination of the people who have been making most of the noise in the Mount Lofty Ranges over the past six months—attacking the review and the transferable title rights scheme—one will see that almost without exception they were people standing for Liberal Party preselection in one of the seats in the Mount Lofty Ranges. Their primary motivation was not what was right for the Mount Lofty Ranges—it was what would give them the profile of fighting for the rights of the Hills residents when preselection was taking place. They were falling over each other in the clamour to outdo each other with outrageous claims about what would be done to the Mount Lofty Ranges. I must say that the behaviour of some of those people was disgraceful, to put it mildly.

One other group is worth looking at briefly; that is, some senior local government people, who are non-elected officials. It must be noted that the salary of these people is linked directly to the rateable value of their council area. A review of that vested interest group is long overdue. So many things happen in local government areas because salaries of certain officers are linked directly to the so-called progress—expanded rateable values—in those districts.

That is a matter that can be tackled at another time. What do the changes that the Government has made to its original proposals mean in terms of new dwellings? The question is: how many titles will be removed from the watershed? There are 2 200 vacant allotments comprising multiple allotment sets. There are 400 to 500 individual owners, and 200 of them are owned by the Government. Of the remaining 2 000, half may be clustered, but this cannot occur in areas of sensitivity within the catchment. Approximately 25 per

cent of the catchment is regarded as sensitive—that is, within 200 metres of a river or in a rainfall area of more than 900 millimetres per year.

Therefore, 1 250 of the 2 000 may be used as amalgamation units, and only 750 are likely to be used as new rural living allotments for residents. There are 2 500 vacant rural single allotments which can still be built on, so 3 250 new dwellings may still be built in rural areas in the water catchment zone. So, by a continued series of backdowns, the Government has not removed a significant number of titles from the water catchment zones. This is an extremely significant backdown, and a great undermining of what it originally set out to achieve. As I said, it happened very much under pressure from a small number of very vocal Liberal Party preselection candidates who were making all the noise.

The Hon. Diana Laidlaw: With 500 at a public meeting?

The Hon. M.J. ELLIOTT: The fear of God had been put into these people that all sorts of things were going to happen to them, and the honourable member knows the names of the people. One who was standing for preselection works in Dale Baker's office. The honourable member knows who that is, and who all the other key players are. There are about five or six of them, all clamouring for preselection for various seats in the Adelaide Hills. They were competing with each other in the *Mount Barker Courier* and the *Southern Argus* to see who could say the most outrageous things about what the Mount Lofty Ranges review was going to do. It was absolutely outrageous. I must say that it is extremely disappointing—

The Hon. K.T. Griffin interjecting:

The Hon. M.J. ELLIOTT: What principle? That of being preselected was their principle. They were not working on anything else. Groups such as the United Farmers and Stockowners said they had a few minor problems but basically it was a good idea. Groups such as the UF&S are saying that.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: No, talking with them now: they were still saying exactly the same thing in phone conversations only yesterday. In talking with respected planners throughout this city, they are saying exactly the same thing: the plan is a good one and that the transferable title rights scheme is a good idea.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order!

The Hon. Diana Laidlaw: Are they saying it is good?

The Hon. M.J. ELLIOTT: I do not think he would mind my saying that people like Michael Beamond, a very respected planning lawyer, are saying that this is a good scheme. These are very respected people. He is a person who was involved in the review process and the consultation process. These people are also saying that many more things need to be done and many refinements need to be considered. The point I am making is that to defeat this Bill, or to refer it to a select committee for the next three or four months, as the Liberals are proposing, means that everyone in the Hills will continue with a total freeze on their properties. By requesting a select committee, that is what the Liberals are asking for. It seems that they do not oppose the Bill outright, as seemed to be the position at one stage. That meant that everyone, including the people who were willing to transfer the titles (as people will be), will be told to go away. I was not willing to accept that position. Most of the people to whom I have talked in the Hills are not willing to accept that position either.

I will support, with an amendment, a motion which has been moved by the Liberal Party and which refers the management plan to the Standing Committee on Environment, Resources and Development. This means that we need to look at the whole of the Mount Lofty Ranges review and the supplementary development plan (further SDPs are proposed) and at this legislation. There are possible refinements that we can carry out. There may be some individuals who, in the scheme of things, will be asked to suffer a disadvantage which is unnecessary and unconscionable. There is no reason why those matters cannot be tackled. However, in the real world, there will be very few of those.

Having a total freeze for the next three or four months, which is already on the end of quite a significant freeze, is an unreasonable expectation. I have given my understanding to all people with whom I have spoken that some matters are still worthy of examination. As one example, it has been asked why a person who owns a single title cannot sell off a development right on that title. The Government's response is that nobody has a development right to start with. That is a fine point. It is true in law that they do not, but most people have had a healthy expectation that a title meant a development right, and certainly values of properties, rightly or wrongly, have escalated in response to that. Figures I gave earlier suggested that many single title allotments sitting in the Mount Lofty Ranges could best be relocated in towns. There is room in the Mount Lofty Ranges towns to take them. If there are people willing to sell off a development right on those single allotments, that is something we should consider. One of the beauties of this is that that land might be added to an existing farmer's property and actually put the farmer in a position to work more efficiently and have a larger productive unit, which is certainly a pressure that we have at present.

I support the Bill, but my support is qualified in two respects. First, the Government has significantly watered down its original proposal, which I thought was much better in relation to transferable title rights. Secondly, some fine tuning could be carried out in relation to single allotments. Other proposals have been put to me on which I will not expand at this stage but which are variations on what is contained in this Bill and which I think might also be entertained. They can properly be looked at by the Environment, Resources and Development Committee. That committee has been very keen to look at areas and to take a holistic view rather than looking at matters in isolation, as we tend to do so often, and as we are doing with this legislation. We must take an overall view of what are the impacts on farmers, water, catchment areas and the environment. What further messages does it tell us about the expansion of Adelaide, etc? We must take that overall view to make sensible decisions.

One of the big problems in the Mount Lofty Ranges over the past couple of decades has been that individuals have been lobbying for their own interests and ended up hurting themselves in the process. The farming groups have been so scared of development controls that they have stalled anything from happening. The consequence of that is that farmers have ended up suffering. Whilst they have opposed development controls in the past, the towns have continued to expand. The rates and land values have increased, and the capacity to run a proper farm has been reduced. The opportunities to expand the farm holding have been reduced because of increased land values. Many people who want to continue farming are now being forced out of these areas because of that urban encroachment. I am making the point that, when people look after what appears to be their self interest in the long run, by not taking an overall view, they have sometimes harmed it. We can no longer allow that to

continue. The Democrats support the second reading of the Bill.

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

MFP DEVELOPMENT BILL

The House of Assembly intimated that it had agreed to the recommendations of the conference.

Consideration in Committee of the recommendations of the conference.

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

That the recommendations of the conference be agreed to.

The recommendations from the conference are reasonably extensive, as there were 39 amendments made by the Legislative Council to which the Attorney-General disagreed, and one suggested amendment. The conference of managers has resolved the issues that were outstanding, and accordingly there is an agreed position which is being brought back to the Council. I will not deal with each individual recommendation but will deal with what I see as the major issues that were dealt with and resolved. However, I will not do it by reference to each individual recommendation that is before us.

The first issue was the definition of the site, and it was agreed that the Legislative Council would not further insist on its amendment, so the definition would remain 'the MFP core site' rather than the 'Gillman/Dry Creek site'. The Gillman/Dry Creek site is not an adequate description of an area that includes Pelican Point, Largs North and Garden Island, whereas the MFP core site is a name that is now recognised within the State, nationally and internationally. The House of Assembly was of the view that that should be retained, and the Council agreed to that.

The second major issue was whether the extensions to the core site could be made by proclamation or regulation. The House of Assembly agreed with the Council's amendment such that any extension, alterations or additions to the core site, Technology Park Adelaide or Science Park Adelaide would be made by regulation and not by proclamation.

The third major issue was the extent to which the private sector would be involved in the MFP development, and the Legislative Council had sought to leave out under the functions of the corporation the words 'to plan and develop and manage the MFP development' and insert 'coordinate the planning, development and management of the MFP development'. That amendment was not acceptable to the House of Assembly, but in the end it was agreed that the first clause should provide that the functions of the corporation are to plan and manage and coordinate the development of the MFP, so the MFP corporation would have a direct responsibility to plan and manage but would be responsible for coordinating the development.

The implication there would be that it would not actually be the corporation that would be doing the development but that it would have the responsibility certainly of planning, the direct responsibility of managing and the responsibility for coordinating the development, which clearly means that other agencies would be involved in both the public and the private sector. So, it puts the impetus on the corporation to involve the private sector in the development of the MFP development centres, and this was always intended.

The fourth issue was also related to clause 8, the functions of the corporation. There was debate as to whether or not, in attracting and encouraging international and Australian investment and development, the MFP should do this in consultation with the relevant Commonwealth authorities which would exist elsewhere in Australia, that is, outside South Australia. The Legislative Council sought to leave out the function to consult with relevant Commonwealth authorities elsewhere in Australia but in the end did not insist on this amendment, the original argument being that those words should be deleted to restrict the scope of investment attraction to South Australia.

However, at the conference it was explained (and I think it is now accepted by the Council) that this is a misunderstanding of the national significance of the MFP project. The fact that consultation is required with relevant Commonwealth authorities does not mean that they are running the project, but obviously those words in the Act now (and they will remain in the Act) will highlight the significant role of the Commonwealth in the MFP project. It is not just a State project but a national and international one, and Commonwealth support could have been jeopardised by the proposed amendment.

The fifth major issue (again relating to clause 8) was the extent to which the corporation should consult. In the end it was agreed that the corporation may consult and draw on the expertise of administrative units and other instrumentalities of the State, Commonwealth and local government bodies, and also may draw on the expertise of non-government persons and bodies with expertise related to these operations. So, it was clearly a power for the corporation to consult with State, local government and Commonwealth authorities and, indeed, to utilise the expertise of persons in the private sector.

The sixth major issue was the Legislative Council's amendment relating to not proceeding with sitework until the environmental impact statement was completed. In this respect the House of Assembly was prepared to agree to the Legislative Council's amendment. The only difference between the Legislative Council's proposed amendment and that proposed by the managers' conference is the substitution of the words 'MFP core site' for the words 'Gillman/Dry Creek site' which was consequential on the debate about the site.

It had never been intended to commence development, as defined by the Planning Act, on the site until all the EIS processes had been completed, and I assured members of this during the Committee stages of the Bill. The House of Assembly has agreed that the amendment, which requires no development to proceed until the completion of the environmental impact statement, should remain in the Bill.

The seventh significant issue related to compulsory acquisition. In the final analysis, the Legislative Council agreed that the corporation may, with the consent of the State Minister, acquire land within a development area, so the compulsory acquisition powers are there for land within a development area, which includes land within the core site and land brought within a development area by regulation. The compulsory acquisition powers apply only to the site covered by MFP activity, and that is obviously reasonable.

The second part of the original clause 12 contained an anti-speculation provision. The compromise in that area was that the operation of clause 12 (2)—the anti-speculation provision—should apply only to land compulsorily acquired within the core site. The Government's argument is that it would be untenable for an individual or group to make windfall gains as a result of the core site development, that having already been announced. However, it was accepted and agreed that the subclause should be limited to land within the core site and that it would be drawing too

much of a long bow to apply the anti-speculation provision to areas that may be included within the development site subsequently by regulation.

The eighth major issue was whether the corporation should be bound by the Planning Act. In this respect it is agreed that the Legislative Council will not further insist on its amendment. In fact, the MFP Corporation is bound by the Planning Act. The Act clearly states that, subject to this section, the Act binds the Crown. Of course, it is possible for the Crown, by the use of section 7 and other sections in the Planning Act, to fast track proposals. However, that provision applies at the present time. That is the law of the State. The Government was not seeking to apply anything but the law of the State to the MFP project. It was not looking to exceptions, although the MFP may be proclaimed as a body under section 7. Section 7 (9) of the Planning Act provides:

> The Minister, if of the opinion, after consideration of a report [from the Planning Commission] under subsection (6), that the proposal to which the report relates is seriously at variance with the development plan, may give such directions in relation to the proposed development as he or she thinks fit.

On this point, the Government has agreed to make a statement in relation to this particular matter, and the Legislative Council will not further insist on amendment No. 21, which inserted a new clause 12a, 'Corporation bound by the Planning Act'. As I have pointed out, the corporation will be bound by the Planning Act, even though the special provisions of the Planning Act may be utilised to facilitate the development. However, the statement that has been agreed, which was also made by the Premier in another place, is as follows:

> I want to reassure the House that, in the event of the MFP Development Corporation being listed as a prescribed instrumentality under section 7 of the Planning Act and a proposal from the corporation was considered under section 7 of the Planning Act to be seriously at variance with the development plan, the Minister for Environment and Planning would exercise her powers under section 7 (9) and give directions in relation to the proposal to ensure it was no longer seriously at variance with the development plan.
>
> It should be noted that the Government is following due process under the Planning Act and a supplementary development plan has been prepared for the MFP core site. The likelihood of a proposal from the corporation being seriously at variance with the development plan is therefore remote. If, in the future, the SDP was considered to be unsatisfactory, the approach that would be used is to follow due process and an amendment to the SDP would be prepared.
>
> The Government strongly supports due processes as set out in the Planning Act being adhered to in respect of the MFP development.

That is the statement that the Premier and I undertook to make to our respective Houses.

The ninth main issue deals with membership of the advisory committee. It was agreed that the specific bodies nominated in the Legislative Council amendment should remain, but that the Minister would select a person from a panel of three nominated by those various bodies: the Local Government Association, the Conservation Council of South Australia, the South Australian Council of Social Services, the Chamber of Commerce and Industry and the United Trades and Labor Council.

The tenth issue is whether or not the MFP should be the subject of rates and taxes, including local government rates. The Legislative Council has agreed not to insist on its amendment which made the corporation subject to rates and taxes. That means that the provision in clause 32, that the corporation is exempt from rates and taxes under any law of the State, remains in place. It was the Government's view, and the Council accepted this in the end, that there was no reason to treat the MFP Development Corporation any differently from any other Crown agencies with respect to the levying of rates and taxes. If that is an issue, Parliament should address it generally and not single out one Crown instrumentality, namely, the MFP Corporation. Obviously, too, the Commonwealth Government would be concerned about providing financial support to the corporation which would then be used to pay State taxes.

The eleventh matter relates to reference of the corporation's operations to parliamentary committees. I think there was a lot of unnecessary talk about this issue of accountability and so on. It is clear that, without specific reference in the Act, the corporation's budgets would be subject to examination by the Estimates Committees, that the new Economic and Finance Committee would be able to look at the economic and financial aspects of the MFP Corporation without there having to be a specific referral in an Act and, where relevant, the Environment, Resources and Development Committee would similarly have such powers. However, it was agreed that the MFP operation be referred to the Economic and Finance Committee and the Environment, Resources and Development Committee, it being clear and stated as part of the agreement that the budgets of the corporation would be subject to the Estimates Committees.

It was also then agreed that the corporation must present reports to those committees every six months, on or before the last day of February and on or before 31 August. There is provision for the maintenance of confidentiality in material which is presented to the committees, and there is a provision that both of those standing committees—the Economic and Finance Committee and the Environment, Resources and Development Committee—should report on the MFP to Parliament every 12 months. I think that is substantially what the Legislative Council wanted. Personally, I think that the whole process was unnecessary, because parliamentary committees have those powers in any event. I think it may well establish an unfortunate precedent, which I would like to caution about at this stage.

The Parliamentary Committees Act has effectively been in operation only from the beginning of this year. I hope that these amendments, which have been made to the MFP Development Bill in respect of reference to parliamentary committees, will not set a precedent for future legislation. That was certainly not the intention of the Parliamentary Committees Act. Those committees already have the power to review the operations of statutory authorities in each of the areas outlined above. In my view, the operations of the committees should be determined by those committees or, where particular issues arise, they should be referred by the Government or the Houses to those committees for consideration. I think it would be somewhat unfortunate if, in future, it was considered necessary to cross-reference their powers, which are clear, with provisions in all new legislation before Parliament. It may well give the committees a workload which they are completely unable to fulfil.

I think that the Parliamentary Committees Act has clear powers as to the work they can do. They should utilise those powers, setting their own priorities, but also with references from the Government and the House. But a process which becomes a precedent in every piece of legislation referring statutory authorities specifically to relevant parliamentary committees could, in my view, hamper their work in the long run, because they will have a brief on everything and will not be able to set priorities and decide which issues should be looked at, where there may be issues of concern.

The Hon. I. Gilfillan: How significant is it in the general hierarchy of legislation? This is a one-off situation.

The Hon. C.J. SUMNER: I am not saying that it is not significant. It would be hard to argue that it is the most

significant statutory authority in South Australia, but obviously it is a significant one. All I am doing is issuing a word of caution that I think it would be wrong for the Parliament to adopt this as a course of action in every measure, because I think that, in the long run, it will hamper, not enhance, the parliamentary committees' work. There are some minor issues which I did not cover, but I do not think there is a need to do so. They are the major issues about which agreement has been reached, and I commend to the Committee the results of the conference.

The Hon. R.I. LUCAS: I support the motion and the recommendations of the conference. Given the long passage of the Bill, I want to make some general comments, as has the Attorney-General, in relation to the motion that the Legislative Council has before it. As with all conferences, they involve a substantial amount of give and take by both the House of Assembly and the Legislative Council. I must say that I believe the conference was handled much better by the Premier than has been the experience of some of us with previous Ministers at other conferences.

The Hon. M.J. Elliott: It's all relative.

The Hon. R.I. LUCAS: It is all relative, as the Hon. Mr Elliott says and, relatively speaking, it was handled much better than has been our experience with some other conferences and Ministers. I congratulate the Premier for his demeanour with respect to handling the conference.

I welcome the fact that the recommendations, which the Attorney-General addressed in his contribution, indicate on any sort of independent reflection that not all, but most, of the major concerns and amendments that were eventually agreed to by the Legislative Council have, in one form or another, been retained in the legislation which the Parliament sees before it. There are one or two areas in which there have been concessions. As I said, it was a matter of give and take, and I will address those issues in a moment. But in most of the key areas—certainly as we see the recommendations—most of the major amendments by the Legislative Council have remained, in one form or another, part of the MFP legislation.

Under the broad bracket of parliamentary accountability, a matter to which the Attorney referred towards the end of his contribution, this was an absolutely essential part of the result to the conference, as the Liberal members saw it. It will mean that the very powerful Estimates Committees system of Parliament will look at the proposed budget for the corporation annually, and it will be subject to questioning. Whilst the Attorney indicates that this may well have been subject to the Estimates Committees anyway—that is so long as there is a budget line for the MFP Corporation—it is possible that if a Government wanted to take it off budget in the future, there may well not be a budget line and, given the Standing Orders of the Estimates Committees, it would be possible that it would not be subject to the ordinary annual scrutiny of the Estimates Committees, and that is something which the Legislative Council was anxious to guard against. The recommendation ensures that the annual budget will be subject, before approval, to questioning by the Parliament of key officers and the Minister responsible.

I can see the point that the Attorney-General made in relation to oversight by the powerful Economic and Finance Committee and the Environment, Resources and Development Committee of the Parliament, that they have within their terms of reference the power to provide oversight if they so choose. But the Legislative Council was saying to Parliament that that was not sufficient because—and I am not saying this applies to this Government or these committees—it would be possible for any Government, either Labor or Liberal, or any majority of members on a particular committee at any one time, to take the view that the oversight of the MFP Corporation was not a sufficiently important task for that particular committee to undertake.

The Economic and Finance Committee has a majority of Government members, if one includes the Independent Labor members, of four to three. The Environment, Resources and Development Committee has, I understand, a split of Government and non-government members of three to three, but with the Chair there is a Government person with a casting as well as a deliberative vote. Therefore, in essence, on any split vote there is a four to three vote. Though I am not suggesting that it will or that it would have happened in the short term, with the construction of the Parliamentary Committees Act it is possible that both those committees will decide in the future that the MFP is not important enough for them to provide oversight.

The Legislative Council did not believe that that was acceptable. It believed that those powerful committees of the Parliament, constructive as they are, even though we had some concerns about the way they were constructed, ought to be required to present regular reports to the Parliament. We would have preferred six monthly reports but, in the spirit of compromise, we were prepared to concede an annual report to the Parliament by both of those committees. Personally, I accept the view of the Attorney-General that each and every piece of legislation that floats its way through this House ought not incorporate similar provisions in legislation. However, this is an extraordinarily important piece of legislation. An extremely important corporation is being established, and while members of the various Parties in this Chamber will have differing views, I think it is quite clear that the majority believed that there needed to be proper, stringent, parliamentary accountability to the committees and in other ways to which I will refer in a moment of the operations of the corporation. We are delighted that this most significant amendment will remain part of the legislation.

Under the general heading of 'parliamentary accountability' the whole raft of amendments that the Council proposed in relation to 'regulation' as opposed to 'proclamation' remain part of the Bill. In respect of whether or not a new area is to be called a development area, the Parliament will retain some oversight. The Government may regulate, but either House of Parliament may seek to disallow those regulations if it so wishes. Again, Parliament will retain control over the extension into other development areas or in respect of amendments to the MFP core site, for example. The Government will have to do that by regulation rather than by proclamation, so Parliament will retain some power. I do not need to say any more on that as the Attorney has expanded on the regulation area.

From the viewpoint of the Legislative Council, an important amendment ensures that no work is done on the site until the environmental impact statement has been completed. I am not an expert on EIS procedures, but an expert from the Conservation Council, who lobbied me on this matter, told me that in his professional judgment there was a 20 per cent chance that the EIS process would result in no work proceeding at the Gillman/Dry Creek site. I was surprised that the figure was so high given the views expressed by some of my colleagues and the Hon. Mr Elliott about EIS procedures.

The Hon. M.J. Elliott interjecting:

The Hon. R.I. LUCAS: I am surprised that it is even 20 per cent, given some of the views that have been expressed. That was an independent view of an expert from the Conservation Council who certainly did not support the general

proposition that we put but who indicated that this was a significant amendment and that there was a 20 per cent prospect, in his professional judgment, that the EIS would find against work at the Gillman/Dry Creek site proceeding. Only time will tell whether or not his judgment of that 20 per cent probability is right. It is an important amendment, and the Legislative Council insisted on it being part of the resolution.

The advisory committee amendments moved by the Hon. Mr Elliott and the Hon. Mr Gilfillan in relation to representation by specific groups will remain part of the resolution with a minor amendment in relation to a person being selected from a panel of three nominated by the various committees—a common provision in the Planning Act and a number of other Acts of recent years. A series of amendments in relation to the private sector having to be consulted and the corporation not involving itself in the actual development of the site but in coordinating the development, and other amendments to which the Attorney has referred that relate to significant private sector involvement, remain part of the Bill.

An important part of the debate as far as the Council was concerned involved compulsory acquisition. There was a variety of views on this issue and even differing views between the Hon. Mr Elliott and the Hon. Mr Gilfillan on the degree of compulsory acquisition. I think the measure is a satisfactory compromise between the two views that were put. Compulsory acquisition in a development area may be accomplished with the support and the consent of the State Minister. We should read that in the context of the resolution on 'regulation' versus 'proclamation'; that is, this Parliament will have a say by way of a disallowance motion on a regulation as to whether or not the Government of the day—

The Hon. I. Gilfillan: Can a compulsory acquisition go ahead before Parliament has had a chance to consider the regulation?

The Hon. R.I. LUCAS: That is an interesting legal question. I do not know. I guess that, if the Parliament disallowed it, it would be in all sorts of trouble, but whether legally it can go ahead is a matter on which I will have to defer to my colleague the Hon. Mr Griffin. If the Government wanted to extend the developed area to, say, an area such as the Riverland and to call the Berri area a development area under the MFP Development Corporation, Parliament would be able to disallow that regulation if it wished and in that way prevent the activation of the compulsory acquisition power. If the Parliament allowed the extension of the development area concept into, say, Berri or the Riverland, compulsory acquisition within the development area would be possible.

As the Attorney indicated, there is a differing regime that would apply to compulsory acquisition in relation to the anti-speculation clause as opposed to whether or not it is part of the MFP core site as determined by schedule 1 or whether it is outside that particular area. I do not intend to go over that matter.

There has been very satisfactory resolution and retention of the essence, if not the exact detail, of the position of the Legislative Council in relation to those matters. In relation to one or two significant areas, the Legislative Council gave ground in the spirit of give and take. The first concerned the amendment moved by the Liberal Party to delete the MFP core site concept and to call it the Gillman/Dry Creek site. We offered a number of alternatives at the conference, but they were unsuccessful. We are disappointed that that amendment was not satisfactorily included as part of the final package but, as I said, that is part of the give and take.

Finally, the amendment moved by the Hon. Mr Elliott—a matter about which I am sure he is personally disappointed—related to the question of planning and provided that the corporation was to be bound by the provisions of the Planning Act and that no regulation could be made or be given effect to in two particular areas: first, to exclude from the ambit of the definition of 'development' in section 4 (1) of that Act any act or activity of the corporation and, secondly, a regulation that would declare the corporation to be a prescribed agency or instrumentality of the Crown for the purposes of section 7 of that Act.

Those two areas which the Hon. Mr Elliott and the Legislative Council sought to have tied up by way of that amendment come under the general heading of 'regulations'. If the Government seeks to declare the corporation to be a prescribed agency under that provision of the Act or if it institutes a regulation to exclude from the ambit of the definition of 'development' in section 4 (1) of that Act any act or activity of the corporation, Parliament retains the power to disallow those regulations. So, if the majority of members of Parliament do not want the corporation to be declared a prescribed agency or instrumentality, this Council or the other House could disallow that regulation.

I understand that the Hon. Mr Elliott would prefer to have that matter debated now but, whilst the conference has recommended that we do not proceed with that amendment, Parliament retains the power to disallow those two regulations. So, the notion behind all the amendments that we moved with respect to parliamentary accountability is retained because Parliament can still indicate that it does not want to support them and may move to disallow the regulations.

The Attorney referred to the statement that the Premier made in relation to the provision of the Planning Act which provides for a development application that is seriously at variance with a development plan. Under the Planning Act, all the Minister need do is table in the House the report from the Planning Commission. The Minister can issue directions to correct the problem, but need not do so.

The Legislative Council is concerned about that and we now have on the record an undertaking from the Premier. Given that the Government was behind the process of the development plan, it is a highly remote prospect that it would be seriously at variance with it but, if it is seriously at variance with the development plan, the Minister could issue directions so that the development application concerned was no longer seriously at variance with the development plan. Whilst that is not as good as the original proposition that the Legislative Council wanted, we believe that, as we will retain the power to disallow those regulations and as we now have that commitment in relation to development applications being seriously at variance with the development plan, that is a satisfactory compromise to the concerns that we genuinely had about the Planning Act and the development corporation. The Attorney-General indicated a series of minor amendments to which I do not intend to refer. I indicate my support for the recommendations of the conference.

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

The Hon. M.J. ELLIOTT: Several concerns were expressed by the Australian Democrats in relation to the MFP Bill. By far the most significant concern was in relation to the site itself, which we have insisted is a major mistake. We substantially lost the argument on that matter during the Committee stage of the debate, although there were some remnants of sentiments of that in a couple of the amendments that went to the conference of the Houses.

Another area of substantial concern related to accountability and due process. In fact, this Chamber passed a large number of amendments relating to that matter, many of which went to conference.

Clearly, we still oppose the passage of the legislation as it emerges from this conference on the first ground, which relates to the site. Nevertheless, I will make some remarks about the Bill as it stands following the conference. I said that the matter of the site had been addressed substantially during the Committee stage and we lost the argument. The one remnant was a relatively minor Liberal Party amendment, which removed the terminology 'core site' and inserted the terminology 'Gillman/Dry Creek'. In fact, that was probably a more honest amendment in that the MFP as it is already evolving will not be a core site development in the way that the Bill presents it, but will be a development involving Technology Park, Science Park and some other sites throughout the city—at Flinders University, the Queen Elizabeth site, and a number of other sites that will be called MFP developments. The core site will be substantially a real estate housing development with very little else. Honesty of presentation would have deleted the terminology 'core site'. So, we saw such an amendment go to the conference, but it was not insisted upon. It seems to me that we are really promoting something that I think is dishonest, if nothing else, aside from the comments I made about the problems of the core site.

I will not go through all the matters that went to the conference, but I will concentrate on some key areas. The Hon. Mr Lucas made the comment that someone at the Conservation Council suggested that there was a 20 per cent chance that the environmental impact statement would find the site deficient. I think that proves just how bad the site is, because historically in South Australia environmental impact statements do not find problems. They are prepared and written by the proponents. When the Government itself is a co-proponent—as it is in this case—we really have Buckley's of a negative finding being made, no matter how bad the proposal is. The amendment that went to the conference insisting on an EIS in relation to the MFP core site—or at least in relation to area A of the core site in schedule 1, which is only a small part of the core site—finally remained in the legislation with the name 'core site' and not 'Gillman/Dry Creek'. However, while that has remained in the legislation, it is of only minor significance.

A more important amendment that has not been insisted upon as a result of the conference relates to the Planning Act. Only lawyers' logic would say that the Government complies with the Planning Act because the Planning Act does not require the Government to comply. Therefore, asking the MFP to comply with the Planning Act in the same way as any private developer is not complying with the Planning Act because Government developments otherwise are not required to comply. In fact, that means that Governments comply by not having to comply. That was the basic logic. The amendment that went to the conference said that the MFP as a development should comply with the Planning Act in the same way as a private development. The amendment was drafted because it was recognised that this Government has a history of finding every way it can to get around the rules. If only the Government would realise that all the arguments about glass domes and all the other nonsense we have heard in the past couple of years from various Ministers relate to the way they behave in trying to get developments through; the way they try to bend and weave around the rules is what is causing all the problems. If they were a little more sensible about the location of developments in the first place, most of those problems would not eventuate and there would never be any need to try to circumvent the Planning Act or some of the other rules that they attempt to avoid from time to time. Nevertheless, that is not something that this Chamber is now insisting upon, and I think that is a grave mistake. Once again, history will judge us on that matter.

Amendment No. 33 relates to land tax. On a couple of occasions the Liberal Party has expressed concern about land tax and Government instrumentalities. I am sure the Hon. Mr Irwin, among others, has raised this issue in relation to forest lands in the South-East. I think the Hon. Mr Davis has also raised the matter. The Minister queried why we are doing it to this Bill. Well, this is the Bill that is before us. We have attempted to amend a number of provisions that we would like to see amended in other legislation as well. This is the legislation before us, not the principal Act in relation to land taxes. On that basis it was legitimate to seek an amendment but the Legislative Council has not insisted on that amendment.

The final amendment to which I will refer relates to the reference to parliamentary committees of the operations of the corporation. As the amendment went to the conference, there was a requirement for all minutes of the corporation to be tabled with the two committees. That would have been a very simple form of scrutiny. The corporation would have simply laid the minutes before the committee and the committee could have decided whether or not it wished to do anything more with them in the same way as it decides whether or not it wishes to spend time on SDPs, which are laid on the table at virtually every meeting of the Environment, Resources and Development Committee. Such a requirement would have had an ongoing scrutiny and would require no preparation of reports. It would have been a very simple form of scrutiny and not an unreasonable process, particularly given that the corporation would have been in a position to have required that confidential matters be kept confidential. That amendment has not been insisted upon. The most obvious and the easiest form of scrutiny by the committees over the MFP corporation was removed by that agreement in conference.

As I said, the argument in relation to the site was lost during the Committee stage. There was a substantial number of amendments in relation to accountability and, as the Bill stands before us now, that has been watered down in some significant areas as well. We do not believe that this is a good Bill and I think we have made that plain. The Democrats oppose the motion.

The Hon. K.T. GRIFFIN: I do not agree with the Hon. Mr Elliott that the accountability provisions have been substantially watered down. We really have essentially what was inserted during the Committee stage of the consideration of the Bill, a requirement that the budget be referred to the Estimates Committees in the House of Assembly. It is an important safeguard that financial matters be referred to the Economic and Finance Committee of the House of Assembly and that certain environmental and other related matters be referred to the Environment, Resources and Development Committee, with each committee to report on an annual basis to the Parliament as to its review of those matters.

We really started off from the basis that this corporation ought to be accountable to the Parliament. It ought to be accountable to the Parliament because it has the potential to swallow large amounts of public money in developing infrastructure and building up the whole operation, particularly on a site about which many questions have been raised and where the EIS is still to be completed. So, I would suggest to the Committee that the accountability

provisions are as strong now as they were when we went into the conference.

It is true that the Hon. Mr Elliott's provision that minutes of meetings of the corporation be made available to the two committees to which I have referred has been removed, and that he would have found that a ready index of matters considered by the corporation but, as the point was made in discussion at the conference, minutes can mean and include what the corporation wants them to mean and to include. A decision can easily be made and not minuted at a particular time if the formal consideration of the matter is deferred or if certain matters are not included until a particular point in time has been reached. We know from some of the evidence that has been given at the royal commission into the State Bank that directors did edit the minutes.

The Hon. M.J. Elliott interjecting:

The Hon. K.T. GRIFFIN: The Hon. Mr Elliott says that we have learnt by experience, but I think he is missing the point. The point is that, if you run an operation, you can edit the minutes and you do not need to disclose all the detail of all the matters that are under consideration. You may need to minute only the actual resolutions which are passed, and that is the normal format of minutes, although people tend to record more of the debate on particular issues rather than just the resolutions which are passed by a particular organisation. I would suggest—and this was the view that my colleague the Hon. Robert Lucas and I took—that minutes do not necessarily guarantee proper access to information and that it was better to ensure that two parliamentary committees, as well as the Estimates Committees, had jurisdiction rather than to play around with things like minutes, which could easily be edited and edit out the important consideration. If you read minutes, you do not necessarily gain an accurate picture of what a body is doing.

So, the parliamentary review process is intact and, although the Attorney-General has said that this should not be a precedent where the specific reference is made (and I agree with that), the fact is that this corporation was to embark upon a very extensive project where many questions were unanswered and where the Liberal Party felt that there ought to be a specific provision for review by parliamentary committees to ensure proper accountability.

The Hon. Mr Elliott made some reference to the most significant concern of the Australian Democrats being in relation to the site, and that was noted in the course of the debate on the Bill. He quite rightly acknowledged that that issue was largely lost in the Committee stage of the consideration of the Bill. The Liberal Party was anxious to ensure that the reference to 'core site' was deleted, because we took the view that the MFP was not necessarily limited to one core location plus Technology Park and Science Park, and that it ought to be in various locations throughout South Australia.

When the matter came to the conference of managers for consideration, we acknowledged that the core site, or the Gillman/Dry Creek site as we sought to have it included, was intact in the Bill as an area of land which was vested in the corporation and in relation to which certain matters attached, such as the power of compulsory acquisition. So, whilst it would have been good to have the reference to the core site deleted, it was not our most significant concern as we went into the conference of managers.

The power of compulsory acquisition was a special concern of mine. I still argue that there is no need for this corporation to have power compulsorily to acquire. What we now have in the Bill is a provision for compulsory acquisition, but only in development areas, and development areas are determined only by regulation. We do have an opportunity to disallow those regulations as they come before us. That is not a perfect answer to my concern about compulsory acquisition powers in this corporation, but it is a limited safeguard.

Clause 12 (2), which some managers at the conference regarded as being an anti-profiteering clause, is limited to the core site as it is actually defined in the Bill, with no additions to it. I think that is an important limitation on that provision. The Planning Act provision, which the Hon. Mr Elliott promoted, exercised extensively the minds of the managers at the conference, but we were finally persuaded that, as a result of the Premier's willingness to make the statement which the Attorney-General has made in this Chamber, that was an attitude on the public record. As the corporation is subject to direction and control by the Minister responsible for the legislation, and because of the undertaking given in relation to substantial variances from the SDP, we took the view that it was therefore appropriate to allow the Planning Act to apply as it is enacted, with the opportunity, of course, for the corporation to be a prescribed corporation and for development to be excluded by regulation. In both those instances there are regulations, and obviously they will be subject to review by the Legislative Review Committee and by both Houses of Parliament, and can be subject to disallowance.

I acknowledge that, in relation to a declaration or prescription under section 7 of the Planning Act, once prescribed, the corporation is then no longer limited by certain provisions of the Planning Act, but the power of disallowance of the prescription is still there, and I would suggest that we would be able to inquire in depth as to the motivation for that prescription when it should be made, if it should be made. Overall, I think that the Bill has been substantially improved: the accountability provisions of the legislation have been tightened significantly so that, if there are borrowings, expenditures or grants to the corporation, the Parliament and particularly its committees will know about them at an early stage. So, with that, I am pleased to support the motion.

The Hon. I. GILFILLAN: I indicate that I have concerns about the result of the conference. I accept that there have been some marginal improvements on the original Bill, and from that point of view one must be grateful for the work of the conference. However, it seems unfortunate to me that the Government, and perhaps the Opposition as well, has not heeded the lessons that we should be learning from other large semi-government bodies on openness and shared decision-making responsibility, which are essential if we are to guarantee reliable, ethical, profitable performance from these bodies in the future. I hope that as a community we are learning from the very painful lessons of the State Bank and SGIC as some of their decisions and the secrecy of the decision-making are revealed.

So, from that point of view I would indicate disappointment that we have not continued to hold the corporation much more strongly accountable in its presentation of information about its decisions to this Parliament, because the corporation, as I see it, should be an open body making quite clearly publishable decisions in which the public and this Parliament should be able to be involved before the final word on those decisions is uttered.

One particular case is that of any extra areas that may be considered to be taken under the wing of the MFP, and that leads me to another area where I have serious concerns, namely that, as far as I understand the Bill now before us, these areas would be exempt from rates and taxes. I believe it was essential that as far as possible the local government

entities were to be brought in as willing cooperative entities, as tiers of government in an MFP vision, but in my mind this will certainly guarantee the hostility of any local government area that gets a sniff of the idea that the MFP has its eyes on some of its territory.

I think it is unfortunate that the Democrat initiative was not adopted and that appointments to the board are not subject to consideration by this place. Once again we should be learning lessons from our very recent past experience with appointments; certainly, at least there should be a public awareness and public contribution and, through this Parliament, a public decision as to how these people hold these very important positions in the corporation. I repeat that, because of what I consider still to be major flaws, particularly in relation to location, I cannot support this motion.

On the other hand, I hope that there will be advantages for South Australia through the enlightened implementation of parts of the vision of the MFP but, if it is just a camouflage that turns out to be a half-baked housing development on some cheap land, it will be another con trick that has been perpetrated on the people of South Australia by a Government that is desperate to recoup its status in some shape or form. I hope that is not the case.

As I have indicated in previous contributions to the general debate, I believe there are possibilities for quite exciting achievements in South Australia through the objectives of the MFP and I will continue to look for ways and means to support the implementation of those objectives. I hope that this Bill does not prove to be an obstacle to those objectives being achieved. Unfortunately, I have serious misgivings that in the long run we will find that the MFP has not fulfilled its vision and is not structured to develop these objectives. However, I for one sincerely hope I am wrong and I will continue to work for those objectives being achieved in South Australia. I oppose the motion.

Motion carried.

SUMMARY OFFENCES (PREVENTION OF GRAFFITI VANDALISM) AMENDMENT BILL

Second reading.

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

That this Bill be now read a second time.

I seek leave to have the explanation of the Bill inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

This Bill is an important part of the State Government's multi-pronged attack on graffiti vandalism. It signals the Government's intent that it wants tougher penalties for graffiti vandalism.

Graffiti vandalism—the tagging we see scrawled over public and private property—is a mindless, destructive act.

It costs this State millions of dollars each year to clean up this mess. These attacks on property impose costs on property owners but also on the Government, councils and ultimately ratepayers and taxpayers.

The introduction of tough penalties for graffiti offences as provided for in this Bill is an essential step in sending a clear message to the community and the courts that graffiti vandalism is a serious offence.

'Marking graffiti' has been broadly defined to include 'defacing' of buildings, roads, and other property. Its seriousness is recognised in the proposed doubling of penalties in section 48 from a division 8 penalty to a division 7 (up to $2 000 or six months imprisonment). (This doubling of penalties will also apply to the offence of fixing of bills or placards, also dealt with under section 48).

This Bill also creates a new offence of 'carrying' a graffiti implement with the intention of using it to mark graffiti, or carrying a graffiti implement of a prescribed class without lawful excuse in a public place or a place on which the person is trespassing or has entered without invitation. The penalty for this offence is also a division 7 penalty.

The limiting of the offence of carrying a graffiti implement without lawful excuse to the places mentioned deliberately does not deal with the carrying of an implement on one's own property or in other private situations, for example at a friend's house.

The definition of a graffiti implement is similar to the provisions introduced recently in legislation in Victoria, including 'any implement capable of being used to mark graffiti'. However, the offence of 'carrying without lawful excuse' applies only to implements of a prescribed class. This class has not been defined under the regulations at this stage but will include only the most common items such as spray cans and wide felt tipped pens. In this way articles such as pens, lipsticks, boot polishes etc. can be legally carried unless they are specifically being carried with the intent of marking graffiti.

Section 5 of the Summary Offences Act already places the onus on the defendant to prove 'lawful authority'. An excuse that sounds plausible but cannot be backed up with proof will not be sufficient to have the charge dropped.

The new offences created by these amendments will apply to both juveniles and adults. The increased maximum penalties will not automatically apply to juveniles, who come under the Children's Protection and Young Offenders Act.

However the increased maximum penalties will send a message to the Children's Court that the Government considers graffiti vandalism to be a serious offence deserving serious penalties. The Select Committee into the Juvenile Justice system will be considering penalties as part of its deliberations.

We must, of course, also tackle the problem at the source. The Government firmly believes that we need a range of measures including tougher penalties, rapid clean-up, community service orders, and also programs to divert young people away from graffiti vandalism into more productive activities.

Government and retail industry are together developing voluntary guidelines for the display and sale of graffiti implements. Retailers are establishing an impressive willingness to take up their share of the responsibility to take action on graffiti.

The Government is also pleased with the work already being done by some councils in terms of rapid clean up initiatives. Rapid clean up is important as part of the total package of us working together against graffiti vandalism.

The issue of providing constructive alternatives to graffiti vandalism is also being addressed.

The overwhelming evidence from interstate and overseas suggests that long-term solutions to the underlying causes of graffiti vandalism are to be found in educative and preventative strategies in addition to the appropriate punitive measures.

A Graffiti Action Conference was recently held here in Adelaide in which participants heard of preventative and diversionary tactics that have proven successful here and interstate. After all it is success that we are interested in—success in reducing the incidence of graffiti vandalism through a variety of measures.

Looking further at the training and educational needs of diverting some of these potential graffiti vandals, a course is being developed in TAFE with visual and commercial art modules to provide an extra 'pathway' to refocus young people into gaining further education and training in expressive and visual arts fields.

We need to redirect their energies and talents from mindless vandalism into productive activities that are not only useful but can lead to worthwhile jobs.

However we are all aware that no matter how comprehensive our range of preventative, educative, and diversionary programs are, there will always be a few hard-core vandals who will persist with the mindless defacement of other people's property. It is particularly at these people that our tougher penalties are aimed. They must be made to realise the consequences of thoughtless and criminal actions.

Graffiti has been around since time immemorial, but we can make a concerted effort to wipe out as much as possible the mindless tagging and attacks on property.

Clause 1 is formal.

Clause 2 provides for commencement on a day to be fixed by proclamation.

Clause 3 repeals the current section 48 of the Act and replaces it with the following provisions.

Proposed section 48 (1) restates the offences of bill posting and defacing property in simpler terms. The offences now refer to bill posting on or damage to 'property'. 'Property' is defined in proposed subsection (4) to include 'a building, structure, paved surface or object of any kind'. This definition covers not only the objects currently enumerated in section 48 but also miscellaneous items such as motor vehicles or park benches. The penalties in relation to both offences are increased from a division 8 fine or

imprisonment ($1 000 or 3 months) to a division 7 fine or division 7 imprisonment ($2 000 or 6 months).

Subsection (2) renders a person who distributes bills guilty of an offence if such bills are unlawfully affixed to property and the distributor fails to prove that he or she took reasonable precautions to ensure that such bills were not affixed unlawfully.

Subsection (3) is amended to refer to property and to make it clear that orders for compensation for damage apply only to offences of posting of bills or marking graffiti and not to the new offences contained in proposed subsection (3).

Subsection (4) creates two offences in relation to carrying graffiti implements. Subsection (3) *(a)* makes it an offence to carry a graffiti implement with the intention of using it to mark graffiti. Subsection (3) *(b)* makes it an offence to carry prescribed types of graffiti implements without a lawful excuse in a public place or when trespassing on private property. The penalty for these offences is a division 7 fine or division 7 imprisonment.

Subsection (5) defines terms 'carry', 'graffiti implement', 'mark graffiti' and 'property'.

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

REAL PROPERTY (TRANSFER OF ALLOTMENTS) AMENDMENT BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 4413.)

The Hon. ANNE LEVY (Minister for the Arts and Cultural Heritage): In winding up this debate, I thank honourable members for their contributions, which obviously are deeply felt and sincere, even though many of the points that were raised are not acceptable to the Government. I can perhaps address remarks to the motion that the Hon. Ms Laidlaw has foreshadowed, namely, that this Bill should now be referred to a Legislative Committee once it has passed the second reading. I can add to these remarks when that motion is formally moved. The Government will oppose this foreshadowed motion on the basis that first and foremost we need to realise that all supplementary development plans are considered by the parliamentary committees and that those for the Mount Lofty Ranges will be no different, so that any STP will be considered by the relevant committee. The Government is certainly not opposed to the referral of the management plan to the parliamentary committee.

However, we are opposed to the reference of the Bill to the parliamentary committee. It will cause needless delay and hardship for landholders in the ranges who have already waited patiently for four years and two interim SDPs and who need the matter resolved without further delay. If the Bill is referred to the committee, it will not be possible for the Government to remove the section 50 Planning Act declaration which currently applies throughout all the towns in the ranges and enable those who are not affected by the long-term controls to get on with their legitimate activities. The delay caused by this referral will considerably inconvenience those individuals. A referral to the committee will mean that the Government will not be able to bring into effect the opportunity for rural landowners to create clustered allotments without waiting many months. This is an opportunity that some landowners need to take up urgently for their very survival, and it would not be fair to ask them to wait further. The motion foreshadowed by the Hon. Ms Laidlaw is a delaying tactic, and the result will not help any landowners at all.

The management plan is a very wide-ranging document which covers all of the significant policy issues in the ranges, and the review of this management plan by the parliamentary committee will provide a more than adequate opportunity for different points of view to be canvassed. For these reasons, the Government certainly opposes the foreshadowed motion.

In winding up the debate, I can add that members, in their second reading speeches, have brought forward a number of different points of view about how most effectively to manage the Mount Lofty Ranges. I am sure that these and other points will come up during the Committee stage, so I will leave any comments on them to that time.

Bill read a second time.

The Hon. DIANA LAIDLAW: I move:

That Standing Order No. 288 be suspended to enable this Bill to be referred to the Environment, Resources and Development Committee.

The PRESIDENT: I draw to the Council's attention to the fact that it is only a 15-minute debate. Each member can speak for no longer than five minutes and they must keep to the subject of why the Bill must go to the committee.

The Hon. DIANA LAIDLAW: The Liberal Party believes that since this Bill was introduced in the other place more and more evidence has become available to cast doubt on whether transferable title rights as proposed in this Bill will work effectively. We very strongly believe, from questions raised by the UF&S, by a number of Hills councils and by representative bodies of local government, that a range of other options could be looked at as a measure of recompense to owners of contiguous landholdings within the water catchment area.

I have received advice from the Planning Review—a body set up by the same Government that is proposing these transferable title rights—which indicates a number of problems with this system. It has identified 12, as follows:

1. That the the proposal undermines the zoning system, which circumscribes development opportunities without compensation to achieve community goals (such as clean water run-off).
2. It will create an artificial market in intangibles with no predictable or constant value.
3. It will unfairly penalise individual owners of correctly zoned developable land (who will require the 'rights'), with the benefit accruing to landowners in sensitive areas and, through the water quality improvement, the general public.
4. It will delay the effectiveness of planning authorisation until title clearance, a delay during the last development boom of about seven months.
5. It would be very costly to administer.
6. It would tend to transfer development from low-value parts of the affected area, where the market value cannot sustain expensive 'rights', to high-value land, typically in the wetter and more sensitive parts of the ranges.
7. It would scatter the displaced low-value development to existing allotments just outside the area of effect where 'rights' are not required.
8. It will introduce great uncertainty into the planning process, with speculation as to its next area of application.

That is of some concern in respect of the Barossa. My advice continues:

9. It would militate against the simplification of development control proposed by the [Planning] Review.
10. It seems vulnerable to court challenge on natural justice grounds.
11. Designation of affected areas will be arbitrary and discriminatory.
12. It will undermine the cooperative working arrangements with Hills councils.

They are significant concerns. The Liberal Party believes that those concerns are required to be looked at in greater detail by representatives of this Parliament, and we believe that the appropriate forum should be the Environment, Resources and Development Committee.

I note also that, since the Bill was first introduced, the Democrats have amended a motion that I moved which would have confined a very small aspect of the management plan—that is, those who would have suffered loss as a consequence of the plan—to the Environment, Resources

and Development Committee. The Democrats have moved that that reference be broadened massively to include the whole of the management plan and the SDP, and the Government, through the Hon. Terry Roberts, has supported that statement. I therefore contend that if the Government and the Australian Democrats are prepared for the Environment, Resources and Development Committee to look at the whole of the SDP and the management plan, they should be looking at the ramifications of this Bill and other options that would be appropriate to recompense owners who will suffer disadvantage as a consequence of this transferable title system, which is essentially untested.

I understand that the Government, almost as a form of blackmail, will use the threat that the Minister will not lift section 50 of the Planning Act if the Bill is referred to the committee. Section 50, which has frozen almost all development in the Hills, has been in place for a long time now. I agree that it is unacceptable that it should remain longer in a sense, but I believe that it is acceptable that that remains while we sort out this system. I do not believe that anybody in the Hills to whom I have spoken—

The PRESIDENT: Order! The honourable member's time of five minutes has expired.

The Hon. M.J. ELLIOTT: I oppose the motion. I made it clear during the second reading debate on this Bill and during debate on an earlier motion of the Hon. Ms Laidlaw that the question of transferable title rights could and should be looked at by the Environment, Resources and Development Committee. It should be looked at within the wider context of the management plan and the supplementary development plan. I have spoken to a large number of people who have interests in the transferable title rights scheme and very few of them oppose such rights. There is substantial support for it. Some people suggest that there could be some minor changes to it, that those changes can not be effected until Parliament resumes for the budget session. I do not see any need for the freeze to remain in place for another three or four months, as would be the case if we accepted the motion of the Hon. Ms Laidlaw; I would say that would disadvantage a substantial number of people and advantage nobody.

As long as there is a clear understanding that the Government believes that the standing committee should be looking at the matters contained in this Bill, then I believe it is the best of results. On many occasions I have expressed concern about the way the whole matter of the Mount Lofty Ranges review has been handled, but that is not what is now before us. Several proposals have been made to me for minor changes to be made which, on the surface, sound very attractive, and I want the opportunity to look at them more fully, and I would hope and expect that the standing committee would do the same. But, I am not willing to leave the freeze in place for another three months, which is effectively what this motion is asking for, and for that reason I oppose the motion.

The Hon. ANNE LEVY: I have already indicated that the Government opposes this motion very much for the reasons enumerated by the Hon. Mr Elliott. The delay, which would be for at least four months, would just not be fair to a whole lot of people in the Mount Lofty Ranges who wish to get on with their normal business and are unable to do so while the section 50 declaration is in force. There is no possible way that that could be lifted until this Bill becomes law, and it is not fair to the people involved that they should have to wait another four months. For this and other reasons I mentioned earlier, the Government opposes this motion.

The Council divided on the motion:

Ayes (10)—The Hons J.C. Burdett, L.H. Davis, Peter Dunn, K.T. Griffin, J.C. Irwin, Diana Laidlaw (teller), R.I. Lucas, Bernice Pfitzner, R.J. Ritson and J.F. Stefani.

Noes (11)—The Hons T. Crothers, M.J. Elliott, M.S. Feleppa, I. Gilfillan, Anne Levy (teller), Carolyn Pickles, R.R. Roberts, T.G. Roberts, C.J. Sumner, G. Weatherill and Barbara Wiese.

Majority of 1 for the Noes.

Motion thus negatived.

WORKERS REHABILITATION AND COMPENSATION (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 15 April. Page 4336.)

The Hon. J.F. STEFANI: My colleague the Hon. Mr Davis, on behalf of the Liberal Party, has outlined at length the concerns and issues which have been raised by both employer and employee organisations and WorkCover about this legislation. In May last year the Premier, Mr Bannon, was given the ammunition which he required to cut the employers' levies. The WorkCover Corporation had offered a solution to the Premier and the Minister of Labour, the Hon. Mr Gregory, by saying that, if the Government wanted to reduce employers' levies, the Government had to take some hard decisions which would not be acceptable to the unions. The Premier is on public record as saying that he was concerned about South Australia's competitiveness compared with other States and wanted WorkCover levies cut by up to 1 per cent.

Obviously, if the Premier was serious about this matter, he would instruct the Minister of Labour to prepare suitable legislation which would achieve this result by ensuring that workers should no longer be able to claim for journey to work injuries, that common law damages against employers would be abolished, that weekly benefits should be cut and that the period of receiving benefits should be reviewed after two years. There are a number of other areas which the Government must urgently address and amend. These mostly relate to payments of WorkCover levies on redundancy payments, long service leave payments, superannuation contributions and other allowances which are paid by employers. It is a nonsense that employers should be paying WorkCover levies and workplace registration levies on superannuation contributions or redundancy payments when employment is terminated. Equally, it is a nonsense that an employer could be held responsible for what happens to a worker on the way to and from work, for stress claims unrelated to work, or for other injuries sustained in what would normally be considered private time.

The type of mentality adopted by the Bannon Government could be compared only to the thinking of a nanny State which wants to make people dependent through whatever may happen to them anywhere or at any time. Unfortunately, it does not help people but only helps to destroy the self-reliance and resilience of society. If WorkCover were able to reduce benefits sensitively and objectively, it would enable the corporation to reduce its heavy impost on employers and its huge amount of unfunded liabilities. It would also be consistent with its aims of encouraging a return-to-work attitude with emphasis on the prevention of workplace injuries in the first place.

We are all well aware that the Labor Government is a creature of the union movement. It is obvious that the Premier, Mr Bannon, is in a dilemma. As usual, he is sitting

on the fence considering whether he should bow to the UTLC constituency which dictates the terms and funds the ALP's campaigns. The alternative is for him to act for the benefit of the broader constituency which provides the jobs and the future employment opportunities crucial to the well-being of all South Australians. If the Bannon Government is serious about reform and about South Australia's competitiveness, I ask Government members to support the amendments proposed by the Liberal Opposition as they will provide positive solutions to the serious problems faced by WorkCover and employers and employees alike.

The Hon. R.J. RITSON: Because this Bill has been so well canvassed by the Hon. Mr Davis and because it is a significant Committee Bill, I will not attempt to deal with all its aspects at the second reading stage but will be almost as brief as the Hon. Mr Stefani. I want to reflect a little on the history of workers compensation in general and on the effects of the introduction of this Bill. I want also to give some support to the Government's attempts to tighten up the legislation and I want to make some specific remarks on the subject of stress.

The whole area of workers compensation, more latterly, the history of WorkCover, is based on the concept that when workers enter industry, much of which is inherently dangerous (many accidents within industry occurring not because of negligence), they cannot really be presumed to voluntarily accept that risk. We know statistically that people working on scaffolding, with heavy machinery or on building a bridge will get injured or killed by accident even in the absence of negligence. Yet, work is something that we are all compelled to do. If a job becomes vacant in a mine, an unemployed person will take on that job not because he wants to accept voluntarily the risk of injury in a mine but because he has to eat.

The original concept of workers compensation legislation recognised that workers needed to subject themselves to potentially dangerous situations in order to eat and to feed their families. Over the years, its character and flavour has changed somewhat so that it has become not only the fair and just care and compensation of people seriously injured in industrial accidents or incapacitated by disease that is clearly industrial disease but also a cornucopia for people who want to milk the system (not all workers but one or two doctors) and it is seen as part of the social service system—the womb to tomb care.

In this country, which desperately needs to compete internationally and to get its costs of production down, some compromise must be struck between the just and fair care of people suffering serious injury or illness that has clearly been caused by work-related accident or incident and the necessity to control our costs of production in order to compete internationally and rescue the economy. All these costs are laid at the feet of production; they are not spread across the community or attributed to the general taxpayer. As a cost they go directly onto the price of the goods that we sell nationally and internationally. So, I guess this represents some Government recognition—modified by counter pressure from the unions—that it has gone past the point of fair compensation for major injury or illness. There must be a swing back to some balance between the health and competitiveness of our industry.

I want to talk a little about the effects of systems, because there are some circumstances in which our present compensation system not only compensates for illness and injury but, in fact, creates illness and injury. Let us say that a worker undergoes medical examination following a back strain and is found to have a degenerate lumbar disc in his spine. That disc is not yet causing symptoms, but he has a muscular backache. Once the fact of that disc lesion is recorded that person will have to lie to his back teeth to get another job. No employer in their right mind would take on that employee if they knew of his condition. Indeed, the industrial safety, health and welfare legislation requires employers to examine or cause to be examined prospective employees to ensure that they are fit for the job. So, the system throws onto the unemployment scrapheap quite a large number of citizens who would be willing to work with a mild disability.

Not only does that cause a drain on the public purse through welfare payments when compensation payments run out but it causes further disease because, if a person was gainfully employed until he found himself in this situation and then found it impossible to get work, not because he was disabled but because he had a condition that would frighten employers lest they became liable for an aggravation, he would feel a sense of worthlessness.

That person would feel a loss of self-image, employment and money. Indeed, the result might well be a depressive illness. Over the years I have observed many people, who have got into a situation of long-term unemployment because of the system, develop quite severe depressive reactions. Whether or not the depressive reaction is, in itself, compensable is an arguable point because it has not been caused by the workplace; it has been caused by the compensation insurance system.

Indeed, I read in a journal quite some years ago that in some European countries the concept of compensation neurosis is not called that, because that implies that a person's mind is fixed on getting compensation; it is called justification neurosis, because the only way a person in the combined position of physical work-caused disability and legal system-caused depressive illness can feel justified is by drawing attention to the severity of the symptoms. That person cannot feel justified by grieving for the unemployment situation or for the fact that employers will not hire a person with such a history. Those people can justify themselves only by talking about pain and what they cannot do. That is a very sad situation because it is not something which is blameworthy and for which those people should be castigated or called malingerers; they clearly are not. It is a catch 22 situation and I do not think this Bill addresses that problem.

The question of stress is very interesting and I am very pleased that this Bill largely addresses the problem. I do not know what stress is and you, Mr President, do not know what it is. We know that it is a word used by the non-medical population to describe anything from overwork to a headache from worrying about money.

We all have stress. Stress is not an illness and it should not be compensated. The only stress-free occupation in life is that of a baby at its mother's breast, and that is only when the baby does not have colic. Apart from that, life is stressful. This Bill makes it clear that, whatever people think is stress and whatever people think stress in the workplace is, there must be an illness. People might think that stress is caused by working a lot of overtime because one's wife insists that one volunteers for it because she needs the money, and I have to question whether that is workplace stress or homeplace stress. I do not mean to be trivial because there is a very vital distinction that is not made in this Bill. A slight contribution from the employer that precipitates a naturally occurring stress-induced illness caused in the home still attracts compensation. At least in this Bill it does not have to be an illness. Indeed, eventually it will have to be made clear to medical practitioners that this Bill

provides that someone who comes along requesting a certificate because they feel stressed out—and people often make such a request for a WorkCover certificate because they feel stressed out and need a few days off—must have an identifiable illness. There is a difference.

Stress may precipitate certain types of mental illness. Probably the most common complaint is a reactive depression consequent upon loss. If one loses a leg in an industrial accident, one may be paid for the leg, but if the loss of the leg causes a reactive depression then it is very reasonable to be compensated for the effects of the diagnosable, classifiable reactive depression. Another reaction to stress and to anxiety can be hysteria. In the technical sense the word 'hysteria' does not mean loss of control; it is the opposite, where the stress is suppressed and denied. It has a physical manifestation such as paralysis or blindness that is converted from the mental distress to a physical, identifiable symptom. That can happen fairly automatically; the patient has no willpower to control it and it is as far from malingering as the North Pole is from the South Pole. As I said, the various psychiatric manifestations are clear, distinct and classifiable. The word 'stress' is not. So, I applaud the Government for amending this Bill to refer to illness caused by stress and I hope that the medical profession observes the change.

Similarly, of course, there will be situations where somatic illness arises or is substantially aggravated and the stress of working late nights, missing meals, drinking lots of coffee or smoking lots of cigarettes can cause an ulcer to perforate. At least one has the ulcer as evidence of illness. It is diagnosable and that certainly is a more definite thing to hang onto in relation to causation, evidence and the like, than simply having the corporation faced with a heap of certificates with the word 'stress' on them, which, if the truth be known, means that the patient in a rather dominant manner approached a rather compliant doctor and demanded a few days off because of stress—whatever that might mean.

I have just one concern with that provision, because it fails to come to grips with a situation where workplace stress is a minor, almost trifling, last straw that broke the camel's back, where primarily the illness was a naturally occurring one. For instance, a mental illness may have been generated largely by losses and conflicts outside the workplace, but some small thing that is not listed in the Bill—the reasonable discipline, etc. which is excluded—precipitated a major illness. That is one of the other things that is wrong with the whole system: it has been changed bit by bit over the years from a system that was intended to compensate quite clearly definable industrial accidents and diseases to a system into which almost anything that happens to unsettle someone can be incorporated.

Let me give an example. There is a naturally occurring disease called arteriosclerosis, and we have the odd situation where, if that pathology affects your coronary arteries, any cardiovascular or cardiac event, the heart attack situation that happens to you whilst you are at work, is presumed to be work-caused. If the very same pathology is happening in the arteries in your brain, one of the arteries might bleed. This Council passed a special Bill about two years ago to overturn the prospective effects of a court decision that that cerebral haemorrhage was an industrial accident on the way to work. It is the same pathology, a naturally occurring disease, with the final act being the sudden blocking or bursting of the artery. If it happens in your heart, it is work-caused; if it happens in your head when you are driving to work, this Parliament has barred consideration of that event as an accident.

The whole system has grown brick by brick into a crazy castle that has gone far beyond its original purpose. Moreover, we have capped it so that the people who suffer very major losses through negligence cannot get their full common law compensation that they might otherwise have had if something like that had happened in the street away from the workplace. Moreover, we brought in some system of making the employer pay for the first week. At the time this was done, I recall a corridor conversation in which it was stated that the employee would have sympathy for the boss and would be loath to make a small claim. I do not think it has turned out that way.

The private insurance industry has a product called sickness accident insurance. I carry some, and I think many members here would carry some. It depends on age, not occupation. That insurance, which is quite reasonably purchasable, covers not only the workplace but also home and naturally occurring disease. That insurance is offered only for a limited percentage, usually 90 per cent, of the person's usual income. The policy holder does not start off on 100 per cent, and it has a qualifying period with a choice, perhaps, of seven days or 14 days. If the person chooses a seven day qualifying period, they know they will not be without income for seven days because they have their sick leave entitlement. However, one thing that cannot be done with a private sickness accident policy is claim for one or two days off to limp around the golf course or the race course on a sprained ankle on which you do not feel like going to work.

The private insurance industry had much experience and knew what it was doing when casting the framework for this sort of policy. I would have thought that, instead of putting that first week's work loss for the year against the employer, if it were put against the employee's sick leave, the corporation might have been spared many minor claims and be in a better position to look after the serious claims of the future instead of building up a residue of outstanding liabilities that are unfunded at present.

The question of levies has an interesting history. I recall visiting Melbourne and speaking with people there about this matter before it was introduced here. A secret deal was done in Melbourne. There is an old biblical story of the steward making friends with the mammon of iniquity by telling the debtors to the household to take their pens and write down the values of their debts. In a way, the Victorian Government did that. It telexed the Ford Motor Company and offered to reduce its payments from approximately 14 per cent to 4 per cent. It promised in the Parliament that nobody would pay more than 3 per cent, and the graziers were suddenly very keen on the scheme also. I have no evidence that those direct promises were made in South Australia to those organisations before the introduction of the legislation, but amazingly enough, quite early in the consideration of this legislation, the Chamber of Commerce favoured it, the motor trades favoured it, and the UF&S favoured it. What Liberal Opposition can go into the fray with those bodies cutting it off at the knees?

What has not been done through all the history of this is a rethink of the whole question. No-one has sat down and questioned what was the original intention of workers compensation 30 or 40 years ago, and what is reasonable now. They have just patched it with political bandaids year after year, decade after decade, until we have the sorts of absurdities that I spoke about with the naturally occurring vascular disease where, if the artery in the heart packs up, it is presumed compensable but, if it packs up in your head when you are driving to work, it is not. It is the same pathology.

In recognising that this Bill before us contains many examples of a Government's having to call a halt to some practices and having to tighten up the legislation, it is still doing it brick by brick as a patchwork. I really despair that anyone will ever sit down and rethink the whole thing according to principles from the beginning. It is just too easy, each time either a financial or political pressure arises, to deal with that pressure—another brick and another band-aid. I do not think I will live to see sense made of this area but, to the extent that the Government tackles some of the outstanding anomalies, at least in part—anomalies such as the stress situation—I support the Bill and look forward to the Committee stage.

The Hon. I. GILFILLAN: I indicate support for this Bill. It really is a matter of how effective the current Government Bill is in making substantial amendment. Members will be aware that I have on file several amendments which I will discuss briefly a little later. I do hold some respect for the current Act. I believe that it was based on some worthy premises that there should be a no fault system in which an injured worker would have a minimum of economic loss and a strong encouragement to return to work, with effective rehabilitation to facilitate that process, and disincentives for employers to continue with unsafe work practices and places.

I consider that the current Act and the system are substantially working towards those goals. However, there are faults and, as the Minister outlined, several matters dealt with in the current Bill require amendment. The first is the limiting of eligibility of stress claims, and the Government has recognised that there are areas where so-called stress caused allegedly by managerial discipline or managerial decisions should not be included as a compensable condition under workers compensation. I have an amendment which I will outline in a little more detail further on and which would ensure as best I can that the stress condition is caused substantially by factors in the workplace other than managerial decisions or discipline.

With regard to the tightening of payments of benefits to claimants pending review, I do not intend to explain these in detail as they have already been explained in detail in the Minister's second reading explanation. However, I want to identify them, because, having been and continuing to be a member of the select committee, I want to show my support for these measures.

The next matter is employers making direct payment of income maintenance to the claimants rather than through a third party and a new system of capital lost payments for workers who have been on benefits for more than two years. This proposed system has quite substantial potential benefits, and they were described in the second reading explanation. I do not believe that the potential under this new system to enable injured workers who are unable to find employment after the two years to receive unemployment benefits was outlined clearly enough. I refer also to the exclusion of superannuation for the purpose of calculating benefits, the exclusion of damage to a motor vehicle from compensation for property damage, calculating the allowance of costs before review authorities, and bringing the mining and quarrying occupational health safety committee under the control of the Minister of Labour.

The Attorney-General has some other amendments on file, and I have not had an opportunity to assess their significance. I note that several of them appear to be related to review officers and the method by which review officers conduct their hearings. I know from evidence given to the select committee that there is great concern about the time delays that have been involved in the hearings, and I assume that these amendments are aimed at expediting the work of the review officers. If that is so, they too are very likely to have my support. My amendments attempt to draw the Government's Bill into line with that which was recommended by the select committee. The select committee has been sitting regularly for well over 12 months and has received a vast volume of evidence and been involved in some quite intense deliberation. I consider that this has been constructive and good-natured deliberation and in many cases (not surprisingly for members who know the workings of the select committee) the differences of opinion are often not very extensive. Sometimes the polemic in political statements takes a different colour from the position held by people in private discussions in select committees.

The most significant amendment that I moved to the Government Bill is that regarding the two-year review. I take this opportunity to repeat what I must have said some hundreds of times by now: the intention of the original Act was that at the two-year review the employable capacity of the previously injured worker whose condition has stabilised is expected to be treated as a form of employment or unemployment, the same as that of any worker, regardless of whether or not they are involved in a workers' compensation scheme. The costings were based on that premise; the actuarial calculations which were provided to the committee and which helped me come to some determination on what levels of benefit to support were based on that premise and at no time have I ever departed from it—never.

It is therefore unreasonable and unfair of those who want to criticise my amendments to suggest that I have suddenly turned savage and inhumane to people who at the end of the two year review period are in a stable physical condition and fit for employment but are not enjoying that employment, and to suggest that I have suddenly decided that they should not then go on virtually without question as recipients of the full compensation allowance from WorkCover. I have made no change from my original position, and I believe that in the main WorkCover has in its calculations in the period that the two year reviews have applied (because it began in 1986, which is not a very long period of time) worked to that principle.

However, the decision of the Supreme Court in the recent hearing has complicated the matter, and I am advised that my amendments will no longer be thoroughly adequate for dealing with the situation. That opinion is shared by WorkCover, the Government and Parliamentary Counsel; it is not my judgment alone. However, I am not prepared to move amendments further to those which I feel fully entitled to move, having served on the committee and given my support and endorsement to the select committee Bill. I have undertaken to move amendments to bring the legislation as near as I can in line with that Bill.

If there are to be further amendments because of perceived problems as a result of the Supreme Court judgment, it is time that the Government bit the bullet and accepted some of the responsibility for establishing a workers' compensation scheme that will match what it has articulated as its own goals. The Premier has said that we must have premiums that are comparable to and on parity with interstate levels, but he will not get that or anywhere near it unless the Government is prepared to take a realistic approach to the consequences of the recent Supreme Court judgment.

The Hon. R.J. Ritson: Do you think it should be thought out from the beginning again?

The Hon. I. GILFILLAN: No, with great respect: the interjection from the previous speaker, whose contribution

I listened to with rapt attention, was whether I thought it should be thought through from the beginning again. Maybe it is just war weary lethargy, but after six years I feel I do not want to go through that again. I believe that we have achieved a lot, and I want to make that point again. The system that we have is a good one. I would go even further and say that it is very close to being the best, if not the best, in Australia, and it may be one could go wider afield than that. However, it needs close scrutiny and that is what I am attempting to do with my amendments. I point out that this bracket of amendments is the result of this particular stage of the select committee's work, and I expect there will be further recommendations for amendments as the committee works on.

I have had conversations with WorkCover. Unfortunately, the board has not yet been able to consider the result of the Supreme Court decision, so we do not have any official opinion from the board as such. However, I can share with the Council some observations made by senior management personnel in WorkCover after I asked for their opinion. I have received a letter from the Chief Executive Officer, in which he says:

> The actuaries had assumed a 15 per cent reduction in benefits at the second year review, but not the full 40 to 50 per cent impact we have projected if our case had been successful. Hence the present unfunded liability to a large degree already includes the effect of the Supreme Court decision, although the actuaries may increase their estimate slightly because of the impacts outlined in the paragraph above.

The paragraph above refers to the Supreme Court judgment that employment has to be available within a few days, even after the two-year review period. The letter continues:

> Hence, with the legislation as it presently stands, there is no ability to reduce levy rates further below the 3.5 per cent recently announced, and this would need to be reviewed next year after a further year's experience applying the present Supreme Court ruling.
>
> If Parliament wishes levy rates in South Australia to be reduced to levels near interstate rates, then section 35 needs to be amended.

Section 35 deals with the second year review. Further on in the letter he says:

> We believe that these amendments—

there are some suggested amendments which are parallel to the ones I have on file—

> will allow the second year review process to operate as we envisaged it without reducing benefits to workers who are unable to realistically return to work at any time because of their injury. These amendments would also allow us to reduce levy rates to about 2.9 per cent or lower.

I emphasise that I do not intend to support any move to reduce the benefits in the Act. I do not believe the case has been made out that they should be reduced. However, as a South Australian, I believe that we must attempt to have workers compensation levies as low as is reasonable, bearing in mind that adequate compensation is an inalienable right for an injured worker. We can get lower levies by reducing accidents in the workplace. Nothing compares with that in importance in achieving the optimum result not only from legislation regarding workers rehabilitation, but occupational health and safety and in general decent ethics of both employers and employees. There are responsibilities all round to reduce accidents.

Secondly, there is an obligation that WorkCover should be conducted in the most efficient and cost effective way so that there is a trimming of unnecessary costs. That said, we are a State in a nation and we must keep a realistic balance as to what is affordable in a workers compensation scheme and we must attempt to keep our levies low enough that they are not a disincentive to employment in South Australia.

I should now like to comment in more detail on the amendments that I have on file. The first relates to the degree of stress caused by work for a compensable condition. I shall be moving that the words 'was a substantial cause of' be included so that where a stress-caused condition is sought to be compensable it must be established that that cause is substantially work related. I am not prepared to allow a system to continue or to be vulnerable to any stress-caused condition becoming fully compensable which, even minimally, could be shown to have been work related. I do not believe that is a fair way to deal with that situation. It is unfair not only to that particular employer, but to all employers and employees, because there is an automatic ratcheting up of the cost of the whole system.

The second and major amendment which I have already identified is to clause 35 concerning the two-year review. I will read what will be inserted in my amendment, if successful, to qualify the second year review where the worker is being assessed as having a reasonable prospect of obtaining work of a type that is estimated to fit his or her capacity. It will be as follows:

> For the purposes of subsection (1)—
>
> *(a)* the following factors will be considered and given such weight as may be fair and reasonable in assessing what employment is suitable for a partially incapacitated worker:
>
> (i) the nature and extent of the worker's disability;
>
> (ii) the worker's age, level of education and skills;
>
> (iii) the worker's experience in employment; and
>
> (iv) the worker's ability to adapt to new employment.

It may be that the inclusion of the words 'the worker's age' will prove to be at odds with discrimination on the basis of age. I have not tested that with Parliamentary Counsel. However, in my judgment, it is a factor which in justice and fairness to the individual should be taken into account.

The other amendments that I have on file are relatively less important. One is technical, covering the extent to which WorkCover can recover amounts paid pending the resolution of disputes before review officers. Another technical amendment relates to information to be provided when the corporation makes a decision, and then there is the two-year review lump sum. That is already in the Bill. I have an amendment which specifically relates to the comment about work that would be available to a worker who is partially incapacitated. That reflects the amendment that I described earlier.

I have previously indicated my support for the lump sum amendment in the Bill, which will give an opportunity to achieve another aim which I have frequently and stridently articulated; that is, to sheet home to the Federal Government the financial responsibility for covering any unemployment factor which occurs in the workers compensation scheme, particularly after the two-year review period. I believe that is an unemployment problem, not a workers compensation problem. Under the lump sum program, it appears that the Federal Government will allow full unemployment benefits to be payable to the injured worker because the lump sum is considered to be a capitalised compensation for loss of earning capacity and therefore is not counted as an income contribution.

There are some other minor matters which will come up in the Committee stages, but I do not intend to take up the time of the Council now. I would like to indicate that I will be very disappointed if the Government does not come out of its bunker and join me in trying to realistically and humanely deal with the problems with this workers compensation legislation and recognise that, if we are to have a realistic cost factor manageable by the employers of this State and if we are to keep an unfunded liability at a responsible level, we must do something to clarify the sit-

uation in the Act as far as section 35 and the two-year review is concerned.

I believe that the Minister, and I am sure many members of the Government, realise that there is a problem in this area, and I look forward to their coming forward in this debate, biting the bullet and seeking, as I do, to amend this Act so that it is better than it was, while recognising that it is a good piece of legislation on the basis of certain premises—no fault, single insurer and a Government statutory body. Those things are in place; we are not debating or arguing them. However, having got that and the rest of the structure that is built into the legislation to make it fair and well-incentived, I think it would be a pity if the Government were to now quibble behind criticism—and I believe ill-informed criticism—of the measure to realistically confront the second year review. I indicate support for the second reading, and I urge the Council, in the Committee stage, to support the amendments that I have outlined.

The Hon. K.T. GRIFFIN: There is no doubt that the WorkCover scheme is an albatross around the necks of the employers of South Australia and, ultimately, the consumers of South Australia. The scheme has not worked satisfactorily since its introduction, and there is evidence that, even though these amendments in the Bill and the other amendments to which my colleagues the Hon. Mr Legh Davis and the Hon. Mr Gilfillan have referred will improve that, nevertheless, the scheme will still be very much an albatross, with the highest rates of levies upon employers under this scheme.

But I do not want to debate that issue at length. We have spent many hours on past Bills in exploring the consequences of the adoption of this legislation in 1986. The two areas upon which I want to focus are stress and the question of exempt employers. In relation to stress, I want to read into *Hansard* some observations made by the Law Society Accident Compensation Committee. These are matters that need to be considered in relation to this very difficult area of stress. The Law Society committee's submission states:

> This section attempts to introduce an amended definition of disability in order to take account of the recent decision of the Workers Rehabilitation and Compensation Corporation v Rubbert (1991) 160 LSJS 257 in which a worker who suffered disability, namely an 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.
>
> The committee supports the view that workers in this situation should not receive compensation but believes that the current amendment is unlikely to be effective in combating the perceived mischief.
>
> The committee is particularly concerned that the word 'stress' itself is undefined, is used in a lay sense and does not have a medical or specific meaning.
>
> In the Commonwealth legislation, 'injury' means:
>
> *(a)* a disease . . .
>
> *(b)* an injury (other than a disease) suffered by an employee being a physical or mental injury arising out of or in the course of the employee's employment; or
>
> *(c)* an aggravation . . .
>
> but does not include any such disease, injury or aggravation suffered by an employee as a result of reasonable disciplinary action taken against the employee or failure by the employee to obtain promotion, transfer or benefit in connection with his or her employment.
>
> (see Commonwealth Employees' Rehabilitation and Compensation Act)
>
> The committee believes the Commonwealth legislation maintains the integrity of the traditional descriptions of words such as 'injury' and 'disease' and adequately covers the mischief without the need to introduce new vague words.
>
> The committee does not believe that proposed section will be effective. It would seem that as stress is not a defined term then simply changing the nomenclature of the condition which might at present be described as stress in a lay context would defeat the intention of the Act, that is, workers might no longer have stress but have nervous breakdowns.
>
> The committee dislikes the use of words such as 'wholly' or 'predominantly' as they invite litigation and dispute.
>
> The committee also wonders whether 'stress claims' are not a current fad and the reaction of WorkCover is unnecessary (save for a Commonwealth-type amendment).
>
> The committee recognises that strain on workers can often cause their performance to fall but the issues leading to compensation are complex and it is rare in our experience to find single causes for mental injury. For instance, a worker may request a transfer because of 'stress' within a particular section at work. If the worker applies for a transfer, which is refused, then that refusal coupled with the thought of returning to the pre-existing situation may trigger a mental injury. Under the proposed amendments, the assessment of such a claim may result in an injustice to the worker. However, these are assessments which the review authorities have undertaken regularly in the past. The committee is not aware of any significant problems which currently exist in the assessment of such claims, nor of any difficulties in assessing such claims under the Commonwealth legislation.

That is part of a rather comprehensive submission by the Law Society in relation to stress. I know that my colleagues the Hon. Legh Davis and the Hon. Dr Ritson specifically addressed this matter, as has the Hon. Mr Gilfillan, but I thought it was important to have the Law Society's view placed on the record.

The other area is the question of delegation to exempt employers. Section 63 of the principal Act provides for certain powers and discretions to be delegated to an exempt employer, such employer being one who is a self-insurer and whose workers compensation scheme is therefore not operated by the WorkCover Corporation. Most of the exempt employers, if not all of them, believe that they are in a better position to administer workers rehabilitation compensation in their work force than is the WorkCover Corporation. The fact that they are able to do so at a very much lower cost is witness to that. All through the consideration of this legislation since 1986, WorkCover has attempted to undermine the power and authority of exempt employers, seeking to place additional financial burdens upon them designed to bring those exempt employers within the WorkCover net and bolster WorkCover's own revenue for its own purposes.

Quite rightly, exempt employers have resisted that. I am a very strong supporter of the exempt employer situation because they are personally involved in rehabilitation and compensation. Because they are so directly involved, generally speaking they have a much more effective program for prevention of injury at work than many others who are covered directly by the WorkCover Corporation.

Section 63 enables exempt employers to do a range of things in the administration of their responsibilities in the area of both rehabilitation and payment of compensation. There are very strict limits on the extent to which the corporation can become involved in the way in which exempt employers exercise their discretions, and I suggest that ought to remain that way.

Clause 12 seeks to place some fairly important limitations upon exempt employers if the amendments proposed in this Bill are passed. For example, compensation for loss of earning capacity (that is, the payment of a lump sum) under proposed section 42a and the power to require medical examination under proposed section 42b are proposed to be delegated but, in relation to compensation for loss of earning capacity, a proposed new subsection requires an exempt employer not to proceed to make an assessment except with the corporation's consent and makes the exempt employer subject to direction by the corporation as to how it exercises its powers and discretions.

That means that the WorkCover Corporation can interfere in the way in which an exempt employer exercises

those discretions. That might be in the best interests of both the employer and the employee, but WorkCover can give directions and thus prejudice the proper administration by an exempt employer of its powers and responsibilities under Division IVA. The Accident Compensation Committee of the Law Society makes a brief comment on this as follows:

> The committee has referred in the past to the inconsistency of the exempt employer apparently having a discretion but then being told how to exercise it by the corporation. The exempt employer should make these decisions in consultation with the worker in light of their respective positions and without interference from WorkCover.

That is a clear and unequivocal statement by people practising in the area. Looking at it from the point of view of principle, if the exempt employer is given a discretion and responsibilities, it is quite inconsistent—in fact, contradictory—for the WorkCover Corporation to tell the employer how to exercise that discretion. In fact, it no longer is a discretion; it is a provision that requires an exempt employer to act in accordance with a direction.

The exempt employers' association, which is called the Employer Managed Workers Compensation Association, is very strong in its view that clause 12 *(c)* should not be enacted and thus compromise its members' operations. As I have already indicated, I support the view that exempt employers ought to be given the right to exercise discretions and to be accountable for those, not to WorkCover which itself is accountable to no-one, but to its employees and ultimately to the courts, if necessary. There are a number of other matters in the Bill and in the amendments about which I will make an observation during the Committee stage. I indicate my support for the second reading.

The Hon. T.G. ROBERTS: I rise to address some of the provisions of the Bill and some of the tactics and ethics that have evolved during the two years of discussion by the select committee. I also make the observation that the public rhetoric tends not to match the cooperative views generally expressed around the table. It is unfortunate that the Act has become a political football in the public arena and that getting a solution to a complex and difficult problem has become much more difficult.

In 1986, a Bill was introduced that changed some of the culture associated with occupational health and safety and workers compensation. It was the intention of the Government and the trade unions to put together a package that afforded not just the protection of compensation for injured workers but also prevention and rehabilitation programs that contained a large and significant component that could be grasped both by employees and employers. It was intended that employees and employers could put together on their particular work sites a package of industrial relations that revolved around trust; that is, trust in the employer to provide information on dangerous and hazardous substances and to provide a safe working environment whether it be in the construction or heavy engineering industry, in clerical or office work or wherever people gather to work.

Unfortunately, one cannot legislate to change people's attitudes. During the period from 1987 to 1992 many people came to the conclusion that the WorkCover legislation, its administration, the rehabilitation programs that were being put into effect and the prevention programs that were being put into place by responsible employers were starting to work and that, given time, many of the problems associated with the unfunded liability would correct themselves and there would be a crossover point on the graph between benefits, liabilities and levies that would, in the not too distant future, level out. Unfortunately, political pressure in the public arena did not allow the time frame for those adjustments to be made. All the Act required was for adjustments to be made where particular problems started to emerge rather than wholesale chopping up and changing of the Act.

Problems began to emerge when New South Wales levies came to be seen as a competitive marker for other States. Of course, if one compared the three schemes (New South Wales, Victoria and South Australia), one did not compare apples with apples but one compared schemes that had marked differences in the way in which they were implemented and the way in which the intention of developing an industrial culture of trust, which I mentioned earlier, could emerge.

In South Australia, if an injured worker went into the second year, benefits were provided and attempts were made to rehabilitate. That was not evident in the New South Wales scheme. Of course, people were thrown back on to social security because they were unable to find employment. It would appear that that scenario holds a certain attraction for some people in this State.

They want to drive down the benefit levels to ensure that the levies become comparable with the lowest common denominator in Australia so that industries can make comparisons of overheads and costs with those of their interstate counterparts. In that way management could say that it was responsible for equalising the workers compensation levies down to the lowest common denominator. That was the general view expressed by a lot of people when they were making their commentaries publicly.

It is not a good starting point to pick the lowest common denominator, particularly when South Australia was seen as a leader, not only in 1986-87 with the WorkCover program but even with the 1972 Act. That broke a lot of new ground in Australia in its application. As a result of the occupational health and safety Act some industries picked up the industrial democracy programs and as a consequence started to see the benefits of safer workplaces. Unions and management worked together to try to overcome some of the problems associated with hazardous industries and saw the benefits of general workplace safety. That culture is now starting to change.

We are seeing a cultural cringe almost reminiscent of that which we experienced when repetitive strain injuries emerged as a result of the rapid introduction of technology and, in particular, of personal computers in the workplace. There were emotional outbursts from overnight experts who said it was an Australian syndrome, in fact, it was called 'kangaroo paw' in Europe. People denigrated the problems associated with the syndrome and those who were affected by the rapid advancement and introduction of technology into the workplace. It was introduced without training programs and without any thought at all, in a lot of cases, to the problems associated with keyboard computing skills. Of course, most industries introduced computers into the workplace in the late 1970s and early 1980s and they had no idea of the major industrial illness problems associated with repetitive strain injury. It had not been seen in the workplace before.

Some of the explanations as to why the clauses should be changed to minimise the applications of stress are similar to the ill-informed, uneducated debate that occurred in relation to repetitive strain injury. It was certainly after the introduction of personal computers and computer operated keyboards that injuries started to show; they were real. If one asked people in the workplace whether or not their injuries were imaginary, I am sure there would have been a marked reaction. After the syndrome was diagnosed by the medical profession as a real problem associated with

poor ergonomics in terms of the way computer keyboards were set up, it was recognised as not just a problem in Australia but also world-wide. The problem resulted mainly from employers who wanted to have all the information that was filed on cards and in filing cabinets keyed into the computer overnight. Consequently, many people worked long hours at keyboards that were placed in the wrong position, with poorly designed chairs and work stations. Of course, the inevitable happened.

The same problems are becoming evident in relation to stress. We have rapidly changing workplaces and cultural ideas in terms of how industrial relations and the workplace should operate. The cooperative culture that was starting to emerge in the 1980s is now becoming confrontationist. The attitude of the 1990s has been brought about mainly as a result of the recession, high unemployment and large pools of unemployed people from which to choose. Some employers are now taking the easy way out and saying, 'Well, those industrial democracy programs of the 1970s and 1980s are not necessary. We can now have management prerogative as the key to our management programs. It makes it all much easier. We do not have to train middle management too much. As long as they have fear and respect rather than disrespect through cooperation, that is the way we will go.' Consequently, stress resulting from rapidly changing workplace methods, retraining programs, uncertainty about future job prospects and an alteration in the attitudes of employers to employees. Poor management methods are reflected in stress claims.

Those who wish to change the Act, including worker representatives at the workplace level, recognise that the stress clauses need to be more clearly defined so that there is no potential for rorting within the system—as was the case with RSI. The Hon. Bob Ritson mentioned back injuries, which are very difficult to diagnose and it is difficult to determine where and when they started although it may clearly be the responsibility of the employer. The same is true in many cases with bad managers, bad industrial relations programs and poor attention to human relations in the work force. Stress is the responsibility of employers who fit into that category.

There are clear differences between a workplace that has a cooperative management strategy, where employees are taken into the confidence of the employer, and a workplace that does not. It is very easy to pick an industry that practises such a work method because of the productivity levels and the way in which employees interact together and with their employers. Conversely, it is very easy to observe employers who intimidate the work force and to feel that atmosphere. Those workplaces generally exhibit high labour turnover, resentment by employees of employers, a high level of sickies, extensive conflict within the work premises and consequent low productivity.

The Hon. Mr Davis is always lecturing us on this side that we have nothing to do because we have never owned a business and really do not know what business is all about. But clearly in workers compensation, occupational health and safety, and rehabilitation, I could throw the same barb back at him about his not having been in the work force at a level to make those observations. However, I will not do that because—

The Hon. L.H. Davis: I have worked on the factory floor. I have been a member of the union—on the trains.

The Hon. T.G. ROBERTS: I thought it might have been in the kite factory! Although the Hon. Mr Davis did not hear all the comments I have just made, as a business consultant he would probably advise his employers to pick up and use some of those industrial relations skills that I have outlined in relation to occupational health and safety, workers rehabilitation, skills training and levels of development, and to use those skills to get a culture within a work place to allow that trust basis about which I spoke earlier to build up.

Basically, they were the intentions of the Bill—to allow South Australian industry to be at least in competition with the other States and have some advantage that you could sell to overseas investors, and to have a well educated, well informed skilled work force working in safe surroundings and conditions. One should think they would be recognised clearly as the basic items that you would go overseas and sell to prospective investors. However, unfortunately, many people who should see those benefits as being pluses tend to nitpick and play political games with many of the items I have mentioned, such as occupational health and safety, workers rehabilitation and injury prevention. They just pick out points to go into the community and create fears unnecessarily, so that it fits into their pattern, plan and program that appeals to the lowest common denominator amongst employers who are not prepared to put together those packages about which I was talking. They go for the intimidation and job threat on a daily basis, and it is unfortunate that the H.R. Nicholls Society and the New Rights programs have been running parallel with the ACTU's programs of cooperative workskilling, training and working.

It appears to me that those struggles that employers have about what culture ultimately they will adopt have not been worked out in their own workplaces. We now have reflected in some of the contributions by members opposite—I certainly would not throw the Hon. Mr Gilfillan into this category because I think he sensitively identified the problems; I am not sure that he sensitively identified the solutions, but he certainly knows and is aware of the problems that I have outlined and identified—and in another place that they want weekly benefits cut, journey accidents eliminated and the second-year review tightened up to actually put an injured worker into the poor house, if we had a poor house. Also, they want to tighten up on stress.

Members on this side of the Chamber and the trade union movement generally acknowledge that there need to be changes to the WorkCover administration, the WorkCover programs in relation to rehabilitation and treatment, the way in which treatment programs are run by the medical profession, the cost overrun in that area, the cost overrun by the service providers in rehabilitation, and a streamlining of some of the cost programs associated with administration. No-one who is associated with or who has observed WorkCover would not admit to that. The WorkCover Board has been working on those programs to cut overheads and cost funding and to improve the delivery of WorkCover services since its commencement in 1987. Here we are locked into a confrontation between ideologies rather than administering a program that could be fixed up over time with adjustments. We will be locked into a conference where the stress levels of members of Parliament will be tested, but that is how the democratic processes run. At the end of the day, I am sure that the Bill that passes from this place will be practical and operational, and will not fall into the ideological barrel. As the Hon. Mr Davis has indicated, he is not an ideologue on this.

Benefits will not be cut to a point where injured workers are the victims of a scheme that is supposed to protect them. That is the irony of the Conservative position. A workers compensation scheme is set up to pick up and help injured workers to be rehabilitated back into the work force so that they can make a contribution, but what we have here is a scheme that will actually discriminate against levels

of workers who have different levels of injuries. I regard all injuries as being a problem, but the scheme will probably look after a worker with minor injuries. The administration will probably look after a worker with minor injuries, and the rehabilitation program, the service delivery, doctors and the hospital will probably do a fine job. However, I am afraid that a worker who is long-term injured, with little hope of rehabilitation and, in the current economic climate, little hope of finding employment with a residual injury, with the proposed amendments and the propositions being put forward by members opposite, has little to look forward to. I refer not only to the injured worker, but also to his family.

I know that the Hon. Mr Davis has a background in finance, and I respect that, but I do not think he referred once in his contribution to the plight of the injured worker. It was all to do with economics, making the books balance and making sure that the levies were kept down and that the employer's position was protected. That is fine. A throwaway comment by the Hon. Mr Davis was that he was elected to support that side of the community, and I respect that also. However, I hope that he will take into consideration those points that I made.

In the absence of any Federal scheme that takes into account State differentials with a no-fault scheme run at the Federal level, the States must implement programs that are competitive. However, I am sure that, if we get into a Dutch auction of lowering the benefits of injured workers to a point where ultimately injured workers are seen as throwaway items like old machines, with the culture about which I spoke earlier regarding the cooperative programs that industrial relations and industrial democracy are built upon, the union organisers, the Trades and Labor Councils and the workers' representatives at the shop floor level will see with some hostility the perpetrators of the programs that leave their members in a position where their financial security is only as good as their health and fitness.

I guess then we get into the problems associated with age discrimination, flexibility skills and all other considerations that are made by employers when employing workers. So, with those few words, I indicate that I will watch with interest the amendments that are moved by the Opposition and the Democrats to see whether the Bill emasculates the Act or whether the amendments that are ultimately carried are acceptable to put in place a workers compensation and rehabilitation scheme that is practical and effective to maintain a balanced industrial relations program and look after injured workers through the 1990s and into the year 2000.

The Hon. R.R. ROBERTS secured the adjournment of the debate.

GAMING MACHINES BILL

Adjourned debate on second reading.
(Continued from 15 April. Page 4343.)

The Hon. L.H. DAVIS: The gaming machines legislation is a conscience vote for all members of Parliament. However, it raises matters of serious concern; there are social and economic consequences flowing from increased gambling, and there is also the possibility of criminal elements being involved in gambling activities. It is interesting and perhaps instructive for this Council to reflect on previous legislative measures to introduce and extend gambling activities in South Australia. It is also important for us to recognise that if we are to extend gambling in a dramatic fashion, as this Bill does, we have the support of the community. For my part, in matters of such importance with the far reaching social and economic consequences, the Parliament should not lead the community but rather it should be led by the community. In other words, I think it is reasonable to expect that on matters of such importance there is a demonstrated general support for the proposal that is put forward by the Government of the day or by a private member introducing legislation of this nature.

In 1965 a referendum was held as to whether South Australia should have a State controlled lottery. That referendum fulfilled a promise made by the newly elected Walsh Labor Government, following an unbroken, record, 27-year rule by the Playford Liberal Government. That referendum, held on 20 November 1965, overwhelmingly endorsed the proposition that there should be a State controlled lottery. Nearly 486 000 votes were cast and nearly 320 000 voted 'yes'. In other words, about 62 per cent or 63 per cent were in favour of lotteries in that very conservative climate of 1965.

It is interesting to see that in some areas there was very strong support for lotteries. In the subdivision of Adelaide in the State seat of Adelaide, the vote was seven to one in favour; in the seat of Enfield it was four to one in favour; in the seat of Semaphore the vote was six to one in favour; and in Ferryden Park it was about nine to one in favour. Interestingly enough, in the 13 city seats of the day and the 26 country seats (there was a total of 39 seats in the House of Assembly, with twice the number of country seats), not one seat or subdivision of a seat voted against the proposition. The closest vote was recorded in Stirling, where 3 046 voted 'Yes' and 2 955 voted 'No'. There were also close votes in areas such as the subdivision of Burnside, where the vote was 4 300 in favour and about 4 100 against. Gumeracha, which had been Sir Thomas Playford's seat, narrowly supported lotteries by 3 009 to 2 811.

In the editorial on the following Monday, the *Advertiser* noted the result and stated:

> The Government is certainly entitled to feel that it was justified in seeking to test public opinion on this issue. Its responsibility, of course, does not end at that point. It extends to the measures yet to be taken under the broad mandate now given by the electorate. Ministers seem to have been purposely vague about the operation of a lottery and how the proceeds will be distributed. They can no longer be evasive on these points. An investigation of the workings of other State lotteries will doubtless be necessary before specific plans can be outlined.

Those are interesting words, given the debate that we are currently having about poker machines. Then again, we had the introduction of casinos. I should mention that in the interregnum between lotteries and casinos there was also the introduction of the Totalizator Agency Board. I have not been able to establish a poll result for the community support for the TAB, but my memory is that there was general support for it. However, when casinos were introduced in 1983-84 (eight or nine years ago), again, there was a majority of support for the legislation in South Australia.

A Gallup poll taken in the first half of 1983 showed that 52 per cent of South Australians approved of the casino and 44 per cent disapproved. Interestingly enough, the vote for poker machines, which was taken in the same poll, showed that 43 per cent approved of poker machines and 55 per cent disapproved. In other words, 9 per cent more in South Australia approved of casinos over poker machines and 11 per cent more disapproved of poker machines over casinos. There was general support for the fact that South Australia should have a casino that was South Australian owned. That did not come to pass in full.

So, we come to the current move to introduce poker machines. Of course, we should be quite plain about the

fact that, whilst the House of Assembly had passed a resolution in support of poker machines, albeit that this legislation is subject to a conscience vote, it is being driven by Cabinet. It does not involve a backbencher of the Government, wide-eyed and bushy-tailed, walking innocently into the Chamber with his own version of a poker machines Bill. This Bill has been driven by the engine house called Cabinet. Let us not make any mistake about that fact. There are big stakes being played for in what can be described as by far the biggest game.

The Hon. Carolyn Pickles: So we have noticed.

The Hon. L.H. DAVIS: I am not quite sure what the Hon. Ms Pickles' comment means. It certainly is a very important issue. The Premier, who had always been opposed to poker machines and who had always said that he would have an inquiry before he introduced poker machines, was driven by the gaping black hole in the State budget to renege on his undertaking almost a decade earlier in the Casino debate to say, on 3 April 1991, that the Government would look at the introduction of poker machines.

Over the past 12 months, there has been a lot of debate about the introduction of poker machines into South Australia. The Premier introduced poker machines not because he believed in them, but because he had to have them; not because in his heart he thought it was a good idea for South Australians, but because the $55 million revenue pool that was estimated to come out of poker machines would fill part of the black hole created by a succession of financial failures by the Bannon Government. That has been given added weight by the severe economic downturn that we have had in this State more so than in any other State in Australia.

So, after almost a year of debate, publicity, headlines, arguments and opportunities for protagonists of poker machines to put their views, the support for poker machines in South Australia at best is lukewarm. It is probably arguable that the support is tepid. In fact, the *Advertiser* ran a survey of nearly 500 people in late February—less than two months ago. That survey established that nearly two out of three South Australians were opposed to poker machines in hotels and clubs. Some 57 per cent of people did not support the Government's plans to introduce poker machines, 35 per cent were in favour and 8 per cent were undecided. That is of concern to me because it shows a community that does not support poker machine legislation, in sharp contrast to the majority support that preceded the introduction of the Casino legislation and, earlier still, the introduction of lotteries in South Australia.

I do not want to debate the Bill in detail tonight, because it is clearly a Committee Bill. However, I want to make some points with force and conviction and, indeed, anger about the machinations which are associated with the introduction of this legislation. There is a lot of explaining to be done on the Government side about how this Bill came into being, who was driving it and why.

I find it reprehensible, unacceptable and totally unexplainable that the Lotteries Commission, which has by any measure an outstanding record in its administration over nearly 25 years, has been treated like a leper by the Bannon Government. I should like to discuss the background of the Lotteries Commission and explain its role in South Australia over the past 25 years. The Lotteries Commission was established under the State Lotteries Act 1966. The State Government controls and directs the Lotteries Commission pursuant to the Act, and the Minister responsible for State lotteries is the Treasurer of South Australia—Premier Bannon.

The function of the Lotteries Commission is through a network of appointed agents. Its main outlet in the head and branch offices is to provide the South Australian public with the opportunity of participating in a variety of games. Those games have changed over the years to reflect changing tastes, improved abilities to develop novel games and no doubt improved technology which has seen the traditional lotteries disappear from the inventory of games, and new games, such as X-Lotto, Super 66 and scratch tickets, have come into fashion. The benefits of the Lotteries Commission's profits flow through to the Hospitals Fund and the Sport and Recreation Fund.

The growth in lotteries is evident. For instance, in the 1986-87 annual report, which celebrated the twentieth anniversary of the Lotteries Commission, the total income for that year was $130 million and the surplus was over $43 million. Four years later, in 1991, the total income had increased to nearly $238 million with a surplus of $87 million. There has been a dramatic growth in sales over a period, and obviously there has been an enormous benefit to the Hospitals Fund and to the Sport and Recreation Fund. Indeed, in 1991 the Hospitals Fund received over $76 million and the Sport and Recreation Fund received nearly $800 000.

The Lotteries Commission has an important role as licensee of the Adelaide Casino, which was established in 1984-85. The commission's main role is to ensure that the Casino operates as a profitable enterprise. During 1986-87, for example, $11.3 million was received from the Adelaide Casino, and the operator, AITCO, had maintained the standard of operation required by the commission. There has never been any quibble about the operation of the Lotteries Commission. Certainly I have no recollection of any serious allegations of impropriety made by the Liberal Party towards the Lotteries Commission in that period. It has been a good corporate citizen.

That fact is beyond dispute, and I think it is a matter of public record that the Lotteries Commission, along with the Totalizator Agency Board and the Casino Supervisory Authority, have all done the job that they set out to do. Certainly there has been no criticism of a substantial nature from the Opposition. From time to time there are operational and computer difficulties, as there always are in the scheme of things but, by and large, it is an accepted role that Government runs gambling. That has been a world-wide trend in recent years, even more so because of the danger of criminal activity. The world-wide view is that Governments should hold the reins of gambling to stop the gambling horse bolting to attract control by criminal elements. New South Wales is a very good example of a State which has found to its cost that millions of dollars had been ripped out of the system by criminal activity. Some of the convicts who came out in 1788 would seem to be alive and well in—

The Hon. T. Crothers interjecting:

The Hon. L.H. DAVIS: Well, Trevor, you came out a bit later, but we can talk about that afterwards. Let us have a look at what I think is an extraordinary sequence of events. In 1990, when there was informal discussion about the framework for poker machines before the House of Assembly expressed a view in favour of them, there probably was not anyone who seriously believed that the Government would countenance a private sector operator having a monitoring role. But at some time during the first half of 1990 a funny thing happened on the way to the poker machines. We know that in April Premier Bannon said that he was in favour of poker machines and, of course, whilst it is true that there is a conscience vote as to whether members

favour poker machines, I think the very least that any responsible Government should be doing is ensuring that the administrative framework for the poker machines is satisfactory and that that framework meets the very basic tests that are laid down in the leading States and countries of the world to counter the criminal elements that undoubtedly manifest themselves wherever there are gaming machines.

I said that the Lotteries Commission has been treated like a leper, and I stand by that remark, because I find it remarkable that members of the Labor Party, who would oppose the privatisation of a blade of grass, by some remarkable leap of logic have come to support a group called International Gaming Corporation. They ignore the world-wide experience in gambling, the Australian experience, and the clearly expressed views of the Police Commissioner and the Liquor Licensing Commissioner. I find it quite extraordinary that in South Australia, where we have a Government that trails Australia in the debate and action on privatisation—remembering that Australia trails the western world and, indeed, Russia in the matter of privatisation—somehow in this matter the Labor Party suddenly has become gung ho in supporting an independent corporation to monitor gaming machines.

The Hon. Barbara Wiese: Ignorance is bliss!

The Hon. L.H. DAVIS: Why is ignorance bliss?

The Hon. Barbara Wiese: You don't understand the Bill.

The Hon. L.H. DAVIS: I don't?

The Hon. T. Crothers interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS: The Minister says that I do not understand the Bill. Let me read a letter from one of her colleagues, and perhaps she can explain it to me. The letter is written by John Quirke to a constituent and is dated 5 September 1991. It is in relation to concerns of his constituent about gaming machines and this person's strong support for the Lotteries Commission becoming the regulatory body, should gaming machines be introduced. Mr Quirke states in rather whimsical and attractive style:

> Firstly, let me give you the run-down as I see it at this stage. At some point within the next month or so, legislation will be proposed to bring into South Australia coin-operated gaming machines. It will have to run the gauntlet of both the House of Assembly, where I sit, and the Legislative Council and then be enacted into law. Should this process be successful, it will be some time yet before these machines can be legally installed in whatever places the Parliament deems them appropriate. Should they, in fact, be agreed to by Parliament then obviously the Lotteries Commission is the logical regulatory body in which to vest control of such appliances. At this stage I must confess to you that I am leaning towards voting for the introduction of coin-operated gaming machines in South Australia, although by no means am I fully committed to this course as yet.
>
> I do believe that the Lotteries Commission, because of its record, should be the authority that carries out the will of Parliament. However, in this instance, I will need assistance from people such as yourself, because the Lotteries Commission have made it clear to myself and to other members of Parliament that unless they own all of the machines and operate all the machines totally under their umbrella, then they will not fulfil those other obligations which I believe the Lotteries Commission was set up for in South Australia. What has been put to me is that unless the Lotteries Commission can use tens of millions of dollars of public money to buy coin-operated gaming machines, which they will then enroute to hotels and clubs under whatever conditions are set down by Parliament, then they do not want any part of administering these machines.
>
> I hope that you may be able to get the Lotteries Commission to see some reason on this point, because it is my fervent hope that the Lotteries Commission will be the regulatory body, and it is my view that the Lotteries Commission, because of its successful record over so many years in administering gambling in South Australia, is the natural choice.

I hope that Mr Quirke understands what he is saying at this stage. He goes on to say:

> Politically, however, the idea that the Lotteries Commission would own all these machines and, in essence, rely on sales tax loopholes at the Federal level does not have a lot of support with many MPs. I would be more than happy to discuss this with you, or any other persons in my electorate . . .

The Government is suddenly excited, saying—

The Hon. T. Crothers interjecting:

The Hon. L.H. DAVIS: Well, I have read Mr Quirke's speech in the Lower House, and I suppose some of you may well have read it also. There was a blinding flash which, on the way to the poker machines, no doubt converted him. Obviously there is an explanation for it but, if the Hon. Trevor Crothers has read—and I doubt very much whether he has—

The Hon. T. Crothers interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS: If the Hon. Trevor Crothers had read the Lotteries Commission of South Australia report from February 1992, which restated a different position, he would have seen that in fact that was something which may have interested him.

The Hon. Barbara Wiese interjecting:

The Hon. L.H. DAVIS: Well, the Minister of Consumer Affairs has said that the Lotteries Commission had more positions than the *Kama Sutra*. Now, I find that extraordinary, coming from the Minister, because the one thing that stands out in this debate is that the Government did not go near the Lotteries Commission. It did not want to know about the Lotteries Commission.

Let the Minister deny it if she wishes, if she dares or if she chooses, but she will not, because the fact is that on 24 December the draft Bill for the gaming machines legislation was given to one group, the hotel and hospitality industry and the licensed clubs, but it was not given to the other group, the Lotteries Commission. The fact is that the Lotteries Commission received the Bill two months after the other contenders. An answer has been given, but obviously, in the current vernacular, it is not a level playing field when one group receives the Bill and the other does not. There is no immediate, obvious and fair explanation for that. Let us look at the sequence of events, which I think is quite interesting. The Liquor Licensing Commissioner and the Police Commissioner disagree with anyone other than the Lotteries Commission being involved in the Bill.

The Hon. T. Crothers: That is not true.

The Hon. L.H. DAVIS: Well, I am just looking at what has been tabled in the House of Assembly. We can debate that in Committee.

The Hon. T. Crothers interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS: I am more than happy to debate that with the Minister. Let me return to the *Advertiser* survey to find out what the people thought was the best idea, the best model for control. In late February nearly 500 people were surveyed by the *Advertiser*.

The Hon. Carolyn Pickles: Did they tell you how they did the survey?

The Hon. L.H. DAVIS: It was a telephone poll. If the honourable member has any objection to the survey, perhaps she might like to ring the *Advertiser* and bring back a report, but it looks pretty reasonable to me. In fact, as the Hon. Carolyn Pickles would know, this was not the only survey taken on attitudes towards poker machines. If she wishes, I could introduce some more polls that show, as I remember, a similar result. Of the nearly 500 people interviewed, only 12 per cent supported the idea of the Independent Gaming Commission established by the hotels and clubs administering the monitoring system. Of course, this is the Government that was in touch with the people. The

survey showed that 36 per cent wanted the Government to administer and monitor the system and 46 per cent were prepared to accept a mixture of Government and private industry controls. It showed that younger people were more likely to favour the introduction of gaming machines and that older people were more likely to reject their introduction. I guess that comes as no surprise.

A story by two leading political reporters with the *Advertiser* carried the results of the survey in late February and noted that:

> The legislation was meant to be debated in Parliament this week but was dropped off the Notice Paper. It is understood this was because Mr Hunt's report referred unfavourably to a number of aspects of the poker machine industry.

This is what I meant when I said that it is important that, whilst gaming machines legislation is a conscience issue, the Government of the day has to establish the correct administrative framework. It seems to me that the Government put the poker machines before the cart and the horse, because documents were tabled from the Police Commissioner expressing concern—I do not think that is too strong a word to use—about the model of the Bill.

I find it extraordinary that the hotel and hospitality industry and the clubs received the Bill which apparently at that stage had not been vetted by the Police Commissioner. I might be wrong in that assumption, but it seems curious to me that it had reached that stage of the process where the Police Commissioner and the Liquor Licensing Commissioner had not settled on an administrative framework. It is curious.

I want to put on the record that I have no argument against the hotel and hospitality industry and the licensed clubs. I think they have behaved very properly. I know that my record as a legislator has been very supportive of the hotel industry and licensed clubs. Only a few days ago I made the point that the hotel industry is in difficult straits with some 10 per cent of hotels not having paid their licence fee by the due date of 1 April, and because they had not paid it by 14 April they would automatically incur a 10 per cent fine ranging from hundreds to thousands of dollars.

A simple answer to that point might be that getting gaming machines would help them out of their problem. However, the point is that, if gaming legislation is carried through Parliament, on my reckoning it will take 12 to 18 months to implement, and that seems to be a general view of the industry. Of course, one needs money to introduce the machines anyway. In a statement to the Minister of Emergency Services of 23 March 1992, the Police Commissioner proposed an alternative model to the private member's Gaming Machines Bill which was developed after further discussion with the Liquor Licensing Commission. The Police Commissioner states:

> He [the Liquor Licensing Commissioner] agrees with the main principle of the model in that it provides a high degree of protection against broad criminality and the perceived risk of corrupt practices from the gaming/poker machine industry . . . The Liquor Licensing Commissioner has indicated that he prefers to retain both the licensing and regulatory functions described in the model to in effect have the full responsibilities of the proposed Gaming Commissioner and the Licensing Commissioner. Apart from that point, he has given support for the remainder.

The Commissioner goes on to say this about the Lotteries Commission of South Australia:

> Under the proposed model the Lotteries Commissioner of S.A. would hold both the machine dealer's licence and the monitor system licence. These would be additional to existing casino licence and the conduct of X-Lotto, Club Keno and associated games.
>
> The advantages in the Lotteries Commission having those responsibilities are:
>
> Existing Statewide agency links could be used for gaming machines thus avoiding duplication.
>
> The system of central supply of agency terminals could be expanded to include purchase/lease of gaming/poker machines.
>
> Lotteries Commission would supply and install the monitoring system but would not have the key monitoring responsibility.
>
> The main gaming licences would be held by the same Government commission.
>
> The Lotteries Commission has an untarnished record of operation and integrity in this State.
>
> Public acceptance and confidence would be high. Certainly it would be much higher than that demonstrated to date in the Independent Gaming Corporation.

Finally, the Commissioner of Police refers to the other alternatives he considered and he talks about the TAB and the Independent Gaming Corporation. He states:

> The Independent Gaming Corporation to provide and maintain the computer based monitoring system only. Inspectors from the Liquor Licensing Commissioner's office to be on site at all times to monitor the system. Thus, gaming inspectors would work at the IGC.
>
> Comment: This alternative is the least attractive in that it provides the least protection against system manipulation or corruption. Accordingly, the only advantage with this alternative is that it shifts the financial cost of establishing and maintaining the monitoring system to the private sector.

Certainly, there were some disagreements between the structures proposed by the Commissioner of Police and by the Liquor Licensing Commission but, in attachments A and B to the document that was tabled in another place not many weeks ago, the difference really relates to the role of the Liquor Licensing Commission. The Liquor Licensing Commissioner preferred to retain control of liquor licensing through the licensing of liquor, casino and gaming and also to have control of gaming through control of the adminstration, regulation and monitoring of both casinos and gaming. The Commissioner of Police believed that there should be a gaming authority, with the Liquor Licensing Commissioner being joined by a gaming commissioner, and splitting those functions. However, apart from that matter of detail, there was no doubt about the public acceptance by the two key officers. It seemed from the charts provided that there was a preference for the Lotteries Commission. Certainly, the evidence from the Police Commissioner pointed to that fact.

Finally, I want to make a point in relation to the criminal element in gaming machines. If one reads the Criminal Justice Commission of Queensland report on Gaming Machine Concerns and Regulations dated May 1990—two years ago—one sees that it is clear that criminal elements can have a field day when regulation does not exist. Queensland is generally regarded, from what I can see, as being in the forefront of gaming legislation in Australia. It is interesting to note that in Queensland the machines are owned by the Government. It is also interesting to note that only yesterday in the *Advertiser* it was stated that Queensland was to show off its clean gambling industry at a national ministerial conference in June. The *Advertiser* stated:

> The Ministers will watch the poker machine monitoring system and observe security systems used at a Gold Coast casino. Acceptances have been received from all States except South Australia and the Northern Territory.

I found that extraordinary, because Queensland has a model that has at least been put in place after an inquiry into gaming machines and criminal elements. We cannot say that about South Australia. In fact, to read the Criminal Justice Commission report by Bingham is chilling. For example, Bingham says that the commission recommends that the Ainsworth group of companies should not be permitted to participate in the gaming machine industry in Queensland. Ainsworth machines were subsequently allowed in because the Queensland structure provides for ownership, control and supervision by the Government. However, that was a recommendation that matched earlier comments of

the Victorian Wilcox inquiry of 1983, which said the following in relation to Ainsworth being licensed to operate in that State:

> It is conceivable that the company may persuade the licensing authority, whatever its past misdeeds, it should now be regarded as suitable to be licensed. It is not for me to make those decisions consistently with my role as I see it. I record simply that I am not confident on what I have seen that more intense scrutiny of Ainsworth affairs would lead a licensing authority to be satisfied to the necessary standard of probity of either the company itself or of its principal.

They are powerful words; it is pretty chilling stuff. In fact, the organised criminal elements are referred to on page after page in this report on gaming machine concerns and activities. For instance, on page 22 of the Bingham report it says:

> Leonard Hastings Ainsworth and some of his senior executives can be shown to have paid Vibert, paid for the Australian Club Development Association, at least some of its staff and its newspaper, paid a political donation in Queensland and most probably one in Victoria, and paid a consultancy fee to a former Liberal MLA and Queensland Registered and Licensed Clubs Association President, Colin Lamont . . .

And so it goes on. There are extraordinary stories and graphic illustrations of questionable practices, doubtful associations, Mafia connections and criminal links at every turn. This is not a figment of anyone's imagination. This is the real world of gaming machines in Australia. Sir Max Bingham as chairman, along with four other members of the commission, brought out a detailed report, which I have only read today.

I think the concerns that people have about the introduction of gaming machines are well justified. I find it extraordinary that this Government has been so flippant and so laid back in its approach to this legislation that it has ignored the expertise and the demonstrated record of competence of the Lotteries Commission, to the point I think of being insulting to the Lotteries Commission. I find it extraordinary that the Treasurer of South Australia, who is responsible for the Lotteries Commission, has not taken a more active role in saying, 'Let us have a look at the framework, let us look at interstate experience, let us examine what the options are and put them to the test.' What the Government has put in place in the legislation, in relation to the independent Gaming Corporation, is an untried and untested horse—yet the Lotteries Commission has been subject to extraordinary vilification by members opposite, a commission that was established by a Labor Government and supported by a Labor Government.

The Hon. Barbara Wiese: There has been more criticism of the Lotteries Commission from your side, actually.

The Hon. L.H. DAVIS: That is true, but not in its overall record of performance.

The Hon. Barbara Wiese: There has been extraordinary criticism of the Lotteries Commission by members of your own Party, in both places.

The Hon. L.H. DAVIS: There might be criticism of the Lotteries Commission; there may well be criticism of every statutory authority in Adelaide. It would be hard to find a major statutory authority that has not been subject to criticism. However, the point I am making, and it is a fundamental point, is that when it comes to probity and integrity I do not think there have been too many matters of substance that have been raised against the Lotteries Commission. It is of fundamental importance that this Government has turned its back on that option and gone for a horse of a totally unknown quantity. It has ignored also the experience in Queensland, and also to a lesser extent in Victoria. Certainly, when I was in America just a few months ago and made a cursory study of poker machines, the point that did emerge was that there was very much a trend towards State control at every level. I think that is beyond dispute. The Hon. Mario Feleppa made this point in his contribution. So, I indicate my concerns. It is a serious matter which has been handled badly by the Bannon Government.

The Hon. J.C. IRWIN: I will not attempt in my contribution to address all the arguments. I merely want to discharge my responsibility as a member here who is dealing with this very important piece of legislation. I guess that those who have been trying to follow the numbers game will know that my contribution will be somewhat predictable; nevertheless, I feel I should say something on a few of the matters involved. If it is the collective will of Parliament to support the Bill and if at the end of the day an amended Bill is accepted by Parliament, I will pay due regard to that decision, in the same way that I have regard to the legislation that set up the Casino, some time before I became a member of this place.

If I had been put in the position in those days of having to make a contribution on whether or not I supported a casino, I probably would have come down on the side of caution and not supported it, but that is a reality now and I do not think the clock will ever be turned back. That does not mean that a number of things have to follow from the decision regarding the Casino. The processes that we are going through here, and which were gone through as far as the Casino was concerned—a conscience vote—would be seen as democracy at work. We have 69 members in the two Houses acting on their consciences, contributing to a collective decision and, in the end, that decision will reflect the will of the people as best it possibly can.

I suggest that this piece of legislation is one that should be tested by a referendum question put to the people of South Australia. As I see it, there is no rush for an answer and, if put to the people, a proper referendum question would give an indication of the view of the people. As members know, there is much agitation now for what is known as citizen initiated referenda, and a select committee of the House of Assembly has been set up to look at that proposal, to go through the pros and cons and to report to the Parliament on that matter.

In my view, particularly for matters of conscience, CIR would give back to the people the power of decision making for matters that affect their communities. In some instances of a social issue, and I believe that this Bill is one, the problems of politicians in trying to decide between one lobby group and another would be greatly reduced. It has been my view since the early 1970s that the major political Parties have let the people down. Also, they have let down their own traditional followers by turning away from their traditional values to play the game of populist politics and pragmatism.

As members would understand, the CIR debate is for another day, but this seems to me to be an ideal broad-based, a social issue that should be decided by the people, because there is a timeframe that allows for that to happen, rather than necessarily leaving it to their representatives in this place, who are now all over the place because of the conscience nature of the decision that will be made. As I said earlier, given that there are 69 members representing the people of the State through both Houses of Parliament, I hope that whatever collective decision is made at the end of the day will reflect as closely as possible the wishes of the people.

I began by saying that it is my responsibility to indicate how I will vote on this Bill. I am not convinced that a majority of the people of South Australia need or want an explosion of poker machines or gaming machines. Of course,

I agree with the sentiments expressed by my colleague the Hon. Peter Dunn. I do not say this flippantly; I, too, have a farming background and have done enough gambling with nature and the whims of Governments to fill any gambling appetite that I have. However, it is my responsibility to look beyond what I want for myself. As I have found in life, nothing is black and white. My mind has certainly been open to good argument on both sides of the gaming machine debate, and I have appreciated receiving good advice from both sides.

I have lived close to the Victorian border, so I know something about the process and the problems of across the border trading. I have been impressed by the argument put by the hotel and clubs industry, some of whose business is close to the New South Wales and Victorian borders. New South Wales is significant, because it already has machines, and Victoria has the legislation and is about to have the machines itself. I am very conscious of the value of the argument being put to me about what will happen if South Australia does not have gaming machines yet, if you go across the border from Bordertown to Kaniva, from Mount Gambier across the border or from further north of South Australia to the New South Wales side, that will take trade away from the local areas and transport it across the border.

I do not suppose in anyone's wildest dreams problems are being experienced across the Northern Territory border or the Western Australian border. In a sense, those areas are isolated and the problem relates particularly to the Victoria and New South Wales borders. I find it very difficult to go away from the argument that has been put to me that there will be a problem there.

I should like to reflect for a moment on an experience I had with the local football club in my community. The traditional way for sporting clubs to raise funds to outfit the juniors and to provide various other equipment for the senior players was, as the Hon. Barbara Wiese's family would no doubt know from living in a rural community (in her case, in the town of Mundulla, which played in the same competitions as my town of Keith), to plant a crop. The people in the towns were able to help with that, as were the people on the farms. Some pretty funny crops were grown and some fairly extraordinary configurations of people late at night put in their crops, which they then reaped, and the proceeds went to the clubs.

I then saw the move to more sophisticated bar facilities being put into football, cricket and golf clubs—particularly into the football clubs. I have experienced the tragedy of young colleagues being killed on their way home, probably having over-indulged at the football club where there were bar facilities. The cropping programs and other activities were no longer carried out. They had turned to the use of alcohol. I am not against that, but it was not good to see young people being influenced and encouraged to use those facilities after they had finished their training or their games. Some of these things start off very innocently and get out of hand and, if this legislation goes through, I can see that the next move will be to have gaming machines in the towns.

In the conservative country towns it is not all one way trade. I am sure that many people in many towns would be in favour of this, but my judgment is that it would not be, other than to keep up with their cousins who live in the cities. I do not think that we are moving in a healthy direction. It might be what we call progress, but it is a pity that progress is taking this direction. I then wonder what will be proposed next. If the hotel and club industry is arguing that it now needs more facilities in its clubs and hotels—and we have seen a number of issues in the entertainment area to try to get more people to patronise the hotels—I must ask what will be next after the machines.

Inevitably, there will be peaks and troughs in the hotel and club industry as in any other activity, exactly the same as the Hon. Peter Dunn and I have observed and experienced with agricultural commodities. There are good times and there are bad times, and in agriculture that is very dependent on nature, the weather and markets. However, I still put to members that whatever industry we are talking about there will not be a smooth run. There will be peaks and troughs, and one will always be looking for some other activity to stimulate industry. The mind boggles with what can be proposed next but, if viability is at stake, should we not be thinking of better and more healthy ways of making the hotel and club industry a better industry? When I say 'better', I do not reflect at all on the industry as it is now; I am using that word in the sense of trying to find that next peak that the industry can aim for. Again, I take the analogy of the farmer. In hard economic times or drought the belt must be tightened and the bottom end inevitably falls out of the industry and is replaced with new blood, some with excellent management skills and innovative ideas. I have no doubt from the figures presented to us, with which I am familiar, that the hotel industry is going through that phase now.

If I were to judge it against the farming industry, I know that there is probably always a third of farmers whose viability is, for one reason or another, getting to the bottom of the barrel. To me, that is always a sad feature, but it is a fact of life that the industry has to tumble over and people must go into and come out of the industry if it is to be good and viable in the sense of new ideas and new blood coming into it. There is always hardship and heartbreak.

If we are talking about going through difficult times with markets or droughts, it is certainly time to look around for new crops and new initiatives. It is tempting to argue for a whole range of what are presently illegal practices or illegal crops to be used in times of hardship, whether that is economic or drought. However, I put to members that this direction is not the answer, and we on this side of the Chamber argue strongly on a number of issues. I cannot say that for this particular Bill, because the discussion will not follow Party lines, as it is a conscience vote. However, on many other issues we have argued strongly that a major part of the answer lies in a great reduction of Government taxes and charges, where State and Commonwealth taxes and charges have a great bearing on costs of industry, be it the hotel industry or the agriculture industry. Surely, if the viability of the hotel and club industry is at serious risk, other than the usual turnover of business for a variety of reasons which I have mentioned in the past, in my opinion it is better for the community and for individuals running a hotel to have their costs reduced, rather than the Government's turning to new revenue raising ideas and practices which at best split the community and have damaging effect on the fabric of the community.

I note that members of the hotel industry had this view themselves before the game changed and it appeared as though they would be clobbered by unfair competition. I do not blame them for the track that they have taken, but I do know that they themselves did not want to go along this track until it was inevitably forced on them. It is often argued by us that input costs are too high. When this Government talks about deregulation, it is mainly deregulation of rural and agricultural industries. We have just seen that with the deregulation of the egg industry. We discussed it here only two weeks ago, when the perception was that because it was deregulated there will be much cheaper eggs

for the community. However, there was never a thought for the people who are producing the eggs, and there is never a thought that the labour market should be deregulated with it, so that there is a level playing field all the way through.

That is what I am arguing here on behalf of the club and hotel industry. It would be a better way to go if we could convince Government that it should take less out of the trade than it is taking now through various taxes and charges. Despite the demonstrated entertainment value of gaming machines, on the other side of the coin is the demonstrated individual and community damage factor: damage to individuals, to families and to the welfare of children. That point is acknowledged by everyone on either side of this argument, but what has not been acknowledged or put to us is exactly what is the magnitude of that damage in terms of social cost to people who cannot control their gambling habit. I do not want to be my brother's or sister's keeper. I would prefer complete freedom for everyone to do just as they wished on any matter and that moderation would never be exceeded. However, that is not what the real world is about and I, like my colleagues, am asked every day to make decisions, some of which we do not much like and would rather not have to make.

The single and most important practical point that I wish to reiterate (practical as opposed to philosophical) is that it would be much better for us to concentrate on demanding that the Government reduce the cost to the hotel and club industry rather than find or approve more ways to raise revenue from gambling. The monster Government revenue machine is far too greedy and inflexible to cope with the notion of actually ripping less tax off people. It likes too much the revenue and redistributing the wealth to have any heart for good legitimate businesses going down the gurgler. I have tried to listen to and read a number of the debates in both Houses, but have not heard very much on that point from anyone.

I will conclude with another quick foray into the pastoral industry and the way its rents are now to be raised as the best example in recent times of what I have been talking about. One will recall that in simple terms the Pastoral Bill that we discussed here a year or so ago required $8 million finance in the name of landcare with a view to stopping degradation of the pastoral areas. The $8 million bureaucracy was to be funded by rent income from pastoralists, based on their income.

I and others have put to honourable members before that the bureaucracy does not know what the word 'drought' means. In other words, if the rent is to be based on income, and if in drought years in pastoral areas there may be three bad years with virtually no income out of five years, I cannot for the life of me think how anyone will raise $8 million. Yet, if the bureaucracy needs $8 million to feed and fund it, it needs $8 million from somewhere. If it cannot get it from the pastoral industry it will get it from general revenue. In other words, it is totally inflexible to give and take with the conditions applying in the rural and farming areas—in this case the pastoral industry.

It is exactly the same point that I am trying to make about Governments raising revenue from beer, spirits, hotel licences, land tax and all the other imposts on the hotel industry. When they experience hard times the Government machine is so inflexible that it cannot give an inch, but expects the industry, in whatever condition, to go on feeding and funding it. It is one of the reasons why people are falling out at the other end and why the number of hotel 'for sale' signs is increasing around Adelaide. There are probably other reasons. There is also a depression, which is both Commonwealth and State Government induced, not to be linked with economic conditions overseas. Throughout the decade of the 1980s we had the best economic conditions that this world has ever known, and Australia has gone backwards. I do not want to go too far down that track, but I am quite happy to debate it with anyone. If the Government monster was flexible in what it needed to feed itself, some people in secondary industry and in the hotel industry in this State would not be sent to the wall trying to produce income for the Government.

I do not support this Bill. It is time that we based any possibility of recovery in this State on work, not gambling. The answer to our economic problems will not be found down the gambling track. In my opinion, it will only add to them. I shall not support this Bill.

The Hon. R.R. ROBERTS: I support the second reading of this Bill. Reflecting on the history of this Bill from the time I first became involved in it, a discussion paper was put out in 1991 by the Minister of Finance. I confess that my knowledge of the subject was fairly limited. However, I assumed it was virtually a *fait accompli* in that it would probably be run by the Lotteries Commission because it was an extension of the system that I had known in South Australia. However, I did not rest at that. I made some inquiries.

My inquiries revealed that the Minister of Finance put before Parliament the proposition that if anybody wanted to introduce a Bill on gaming machines they were free to do so; it was a conscience issue on both sides and therefore anyone was free to introduce such a Bill. No-one came forward from either the Government or the official Opposition. As people were obviously lobbying for this new form of gambling in South Australia, the Minister of Finance introduced a private member's Bill into the Lower House for the comment of the Parliament.

It seems to me that since that time the fundamental part of this discussion has been put aside. The Opposition has made allegations about the Government's Bill. It is important to recognise that we are talking about a private member's Bill. If members of the Cabinet in their conscience want to support it, that is their right, and backbenchers have the same right.

I go back to the discussions that I initiated at that time. In August I was of the view that if gaming machines were to be introduced into South Australia there would be certain impacts on different members of the community and that the people at the front line of any repercussions of a community-based nature would be local government. With that in mind, I wrote to every local government body in South Australia and put a number of questions to them. In my correspondence I said that I believed that the introduction of gaming machines was inevitable, that they should be run by the Lotteries Commission, that, because of the social impacts of this new form of gambling on our community, there would be repercussions within the community and that local government, being at the coal face, would be the first to experience those changes and would be asked to respond.

It is a fact that in country areas in particular whenever any small group or local charity gets into trouble the first place they go is to local government either for a loan or for someone to guarantee a loan. It was my view that it was a reasonable proposition that the distribution of any funds from this area ought to go to local government.

Further, 68 councils responded and only one council replied favouring the Independent Gaming Corporation over the Lotteries Commission. I have to point out that many councils said that they did not want gaming machines but

the overwhelming majority believed that they would be introduced and they believed that the Lotteries Commission would be an acceptable body. They believed that a proportion of funds ought to be distributed to local government. In particular, I refer to the letter from the Adelaide City Council, which encapsulates a fair amount of the views of local government, and the letter reads:

As a result of consultation with the appropriate departments, the administration, like you, believes that the introduction of electronic gaming machines is inevitable. This being the case, it is considered that the most appropriate vehicle for the control of gaming machine activities would be through the Lotteries Commission of South Australia as it has the required infrastructure and track record to administer this kind of activity.

It is a fact that during these recessionary times the demands on local government for services increase dramatically; so too do the demands placed on community organisations. The impact of gaming machines will particularly affect those community organisations that rely on games of chance as a major part of their fundraising activities.

To enable both local government and community groups to cope with the increased demand for services a redistribution of profits from gaming machines via a Local Government Association fund is suggested. Such a fund would enable the Local Government Association to distribute funds equitably amongst councils and community groups. I trust this feedback will be of assistance to you.

That is a fair representation of the views of most of local government. Following that exercise I started to receive representations supporting the Independent Gaming Corporation's point of view from the hotels and clubs association. I had to look closely at what these people were submitting. They were submitting an alternative point of view and obviously, in a parliamentary situation, one has to look at both sides of the argument. I proceeded to do that.

The other matter I was lobbied about from church and community groups was that it was another form of gambling and that we should not introduce it. I think the question of gambling in South Australia was answered in 1965 when the referendum decided that we were going to have a Lotteries Commission. I put some questions to the Parliamentary Library to bring myself up to speed on the history of the Lotteries Commission and the Casino in South Australia.

I can remember the debates in respect of lotteries. There was a great debate about whether we ought to have lotteries in South Australia. There were dire predictions by many people that decadence and pestilence would fall on South Australia if South Australians were given the choice to gamble or not to gamble.

After long and protracted negotiations, the then Premier (Hon. Frank Walsh) announced in April 1965 that a referendum would be held on the introduction of State lotteries. The referendum was held on 20 November 1965 and, in answer to the referendum question, 'Are you in favour of the promotion and conduct of lotteries by the Government of this State?', 344 886 persons voted 'Yes' and 142 196 persons voted 'No', with a 95 per cent turnout of registered voters.

Following that 'Yes' vote the Government introduced the State Lotteries Bill and even at that time people were saying, 'You will never keep out the corruption; it will be a recipe for disaster.' It is clear from the record—and this has been pointed out by other speakers—that the State still goes on and that there has been enormous benefit. I would suggest that the incidence of family breakdowns has not been much greater than it would have been had we not had the Lotteries Commission.

I think the next thing that happened in the sequence of events was that I asked a question about the Casino and was given information on it and advised that a number of attempts were made in South Australia to introduce a Bill to have a casino here. The first attempt was made in 1973, when the Hon. Don Dunstan introduced a Bill, which was rejected. Another attempt was made in 1981, eight years later, by Mr Norm Peterson from Semaphore, and that was defeated. Again in 1981 Mr Slater, representing Gilles, introduced a private member's Bill that was negated. In 1982 Mr Wilson, the Minister of Recreation and Sport in the Tonkin Administration, introduced a Bill which again was defeated. On 19 August 1982 the House resolved itself into a Committee of the Whole to consider the Minister's amendments, and they were rejected 27 votes to 16 votes.

On 23 March 1983 the Hon. Frank Blevins introduced into the Legislative Council a Bill for an Act to provide for the establishment and operation of a casino under strict statutory controls and for related purposes. This Bill was based on that introduced by the Hon. Michael Wilson in 1982, incorporating amendments proposed by the select committee plus the requirement that the casino licence be held by the Lotteries Commission. The second reading was carried 15 votes to six. Very clearly, the fact that we have a Casino was only, in my view, able to happen based on the fact that the Lotteries Commission was to be the holder of the licence. It has been suggested to me that the Lotteries Commission, in the conduct and running of the Casino, was virtually superfluous to the requirement and only held the licence that says we can have a Casino.

I have gone through the proclamation by Sir Condor Laucke in respect of these matters, and I must admit that many of these regulations refer basically to the setting up of the Casino and some monitoring. But, in my view, it is not true to say that the Lotteries Commission's only involvement in the Casino has been to hold the licence. I refer to one clause, and there are about 19 in this legislation, which refers to the Lotteries Commission. To go through each one of them and read them into *Hansard* would be quite tedious, and I am conscious of the hour. But one of the key provisions is clause 10, which states:

The commission shall use its best endeavours:

(1) to ensure that all casino installations, equipment and procedures for security and safety purposes are used, operated and applied in a manner which will best serve the interests of the public attending the licensed casino;

(2) to ensure that the operations of the licensed casino are conducted at all times in a proper and competent manner;

(3) to ensure that all facilities and amenities in the licensed casino are maintained at all times in such conditions as to provide for the comfort and convenience of the public attending the licensed casino;

(4) to ensure that adequate security, supervision and control is maintained by those in authority in areas and places adjacent to or near to the licensed casino (including the Great Hall in the Railway Station Building) to provide for the security, safety and convenience of the public attending the licensed casino.

It was clearly the intention at the time that the Casino Act was introduced and passed that there was to be a very deep involvement by the Lotteries Commission at that stage. I have endeavoured to get myself up to speed into the actual operations of the Casino, because it has been alleged by other speakers that the Bill before us today is a mirror image of what happens in the Casino.

I am not prepared to debate in depth whether that is true or false, but I am prepared to conduct further investigations. At this time I indicate that I will support the second reading of this Bill. I intend to have further discussions with the people at the Casino and be conducted around those premises to see for myself what occurs there.

It has been put to me that what happened with the Casino Bill is not a true reflection of what happens today, and from the discussions that I have had so far I can see that that is factually the case. I am sure that it will be argued—

and in many respects I would support the argument—that the Lotteries Commission can be involved and can work cooperatively with others to ensure that an organisation such as the Casino is run properly and fairly. In my view that is an argument, and I am certain that that will be the Lotteries Commission's point of view.

In the running and conduct of the Casino there has also clearly been a large involvement by the Liquor Licensing Commissioner whose practical and every-day responsibilities are to do with security systems, monitoring and hands-on procedures. The other point that I think it is necessary to make is that there is no question about the integrity or involvement of the Liquor Licensing Commissioner. Two commissions have acted in concert in the operation of the Casino in South Australia, and I believe that the results that have been achieved have been exemplary and, I suggest, are probably as good as any casino in the world.

This leaves us with the situation that we then have to come back and look at the legislation that is before us today and see how factually it compares with the running of the Casino or any other lottery situation. I want more time to look at those things, and I will be doing that in the next few days. As I have said, my preference throughout my initial consideration of this matter has been for the Lotteries Commission, and other matters will come into my decision with respect to my final position on this matter.

I began by saying that I was fairly ignorant about this matter and did not have much information when this debate started, but that is certainly not the case now. I have been lobbied by dozens of people in many ways—some ways I found quite acceptable and others I found exceedingly offensive. On occasions there were veiled threats, which I reject entirely. In my view that does the people no credit. I let it be known now, very early in my parliamentary career, that it is not my intention to be threatened by anybody. It has been my view, throughout 25 years in the trade union movement, that if you allow people to threaten you and bow to those threats they will be back the next day with another lot of threats. I point out to anyone who has felt inclined to get involved in that exercise that any decision I make will be by my own conscience after considering the arguments on which I will meditate.

One of the things I have been particularly concerned about is the abuses I have seen throughout the whole process of debate on this Bill, which, in many ways, has been a learning experience. Some of the speeches that I have heard, the dirty politics that I have seen and the prostitution, in my view, of the parliamentary system that I have witnessed has been quite disgraceful. The attacks on individuals both within and without the Parliament that have been associated with this matter I think would not have done schoolyard tactics a great deal of good. In fact, the tactics in respect of the Minister of Tourism and the way they impinged on the debate on this Bill have been a disgrace. I point clearly at members of Her Majesty's loyal Opposition who ought to hide their head in shame. The activities of some members opposite—not all, I am quick to add—lead me to believe that it is an illegitimate Opposition; in fact, some of its members are illegitimate in every sense of the word.

I was amazed at the attacks on some public servants under the guise of parliamentary privilege and some of the remarks about staff and the role of the Lotteries Commission. One contribution that caught my eye was by Mr Graham Ingerson in another place. While talking about the running of the Lotteries Commission he said:

> It is not about the Lotteries Commission standing up and saying that it has the God-given right to do all this sort of thing. That is just absolute nonsense; it is not true.

I point out that it is not a God-given right of the Lotteries Commission to promote and conduct lotteries in South Australia, but it does not have a bad sort of authority given that 66 per cent of South Australians endorsed it in a referendum. I cannot point to many referendums where there has been 66 per cent endorsement of anything.

When asked to make a conscience decision we are influenced by many factors, one of which is upbringing within a family or political situation. I have been involved in a number of organisations over many years. I have taken part in a number of debates, many of which I have won and many I have lost. Some of the debates that I have lost were for people who elected me to advocate on their behalf, and I have done that to the best of my ability.

That leads me to another aspect of this debate: the principles of a Parliament in which I believe. I have been a member of the Labor Party since I was 16 years of age. It has always been Labor Party policy to follow the Westminster system: indeed, my Party believes that the people's House is the Lower House and that there ought to be only one House. The fall-back position with respect to our bicameral system is that the Upper House ought to be a House of review. However, we are faced with a bit of a dilemma in South Australia. Our system has been an accident of history as much as anything else. When the colony was set up in South Australia we had only a Legislative Council which gave unto itself all the powers of a Lower House, and in the 100 years of our evolution we have not given them away.

This Bill has gone through the Lower House, which has supported the idea of an independent gaming corporation. I believe that if legislation passes through the Lower House it ought to come to the Upper House and it ought not to be changed dramatically. I am sure that members would be prepared to debate that we have equal powers in this Council, and that is true.

The Hon. Diana Laidlaw: We actually have a role.

The Hon. R.R. ROBERTS: My response to the interjection of the Hon. Ms Laidlaw is that that legislation passed through the Lower House: it was not rammed through the Lower House on Party lines. It was not the act of an intemperate or over-officious Government: it was a conscience vote of both Houses of Parliament. What we have here is a reflection of the people's representatives from the people's Government, the Lower House, saying that that is what they want. I believe that is a persuasive argument. That is where my colleague the Hon. Mario Feleppa and I part company. Mr Feleppa has indicated quite clearly that, if the Lotteries Commission does not control the gaming machines legislation, he will not vote for the third reading.

The Hon. M.S. Feleppa: To be more precise, I said it has to be Government controlled, not necessarily by the Lotteries Commission.

The Hon. R.R. ROBERTS: I am certain the Council, as I am—

The Hon. M.S. Feleppa interjecting:

The PRESIDENT: Order!

The Hon. R.R. ROBERTS: I am sure that the Council is appreciative of the explanation given by the Hon. Mr Feleppa by way of interjection, as I am. However, I will look closely at the amendments that are being proposed by the Hon. Mr Feleppa and will discuss those at length in Committee. I make clear to the Council that I respect the wishes of the Lower House and, when this legislation goes to the third reading stage, I will support it, whether it involves the IGC or the Lotteries Commission. I will conclude my remarks on the note of lobbying, because I do not want people to think that I condemn all lobbyists.

The Hon. Diana Laidlaw: Will you summarise what your view actually means, because I've just sort of lost track?

The Hon. R.R. ROBERTS: I will summarise my position on lobbyists in this respect, because I do not want it to be on the record that I am condemning all people who have approached me and who have had discussions on this matter. I have spoken to some people whose position I respect, and I thank them for their contributions to my thought process. Although he is not in the gallery tonight, I will mention one person to whom I have spoken and who has had a major input into this legislation. He is the Secretary of the Liquor Trades Union, Mr John Drum. I have discussed this matter with him impartially, and I must commend him on the way he has conducted himself in the discussion process on this Bill.

I have been asked by way of interjection to summarise my position. I support the second reading of this Bill because I believe it needs to be supported, certainly from the point of view that it is a reflection of the people's will in the Lower House. I will look at the amendments, and I will make judgments on those. I will support the legislation at its third reading.

The Hon. BARBARA WIESE (Minister of Consumer Affairs): I support the second reading of this Bill, and I will try to be reasonably brief, because ample time will be available for debate in the Committee stage. I believe the introduction of gaming machines is an idea whose time has come. I believe a majority of South Australians support their introduction. Those who support the introduction of machines generally fall into two categories: those who enjoy playing them, who are entertained by them and who are very keen to see them in place; and those like me who are indifferent. Such people have no particular desire to play them, but would not be unduly concerned about their introduction if others want them.

In my own case, my support for the introduction of gaming machines is strengthened by the fact that they are now being introduced in neighbouring States. Immeasurable damage will be done to the South Australian hospitality industry, particularly the hotels and clubs near our State border, if we do not grant the right for our industry to provide the service that people want. Some members have questioned the tourism value of gaming machines to South Australia in view of the fact that they are now being introduced in other parts of Australia.

However, it is important to remember two things: first, not all States will have machines, so they will be an attraction for people who come from places without them and, secondly and more importantly, the value of tourism is measured not only by counting the dollars that are brought into the State but also by the dollars we can retain in the State. In other words, every time we encourage a South Australian to stay here and spend their dollars instead of taking them out of the State we have struck a blow for our tourism industry. In recent years large amounts of money have been spent across the border by South Australians wanting to play the pokies. It is in our interests to keep that money in our own State.

An honourable member interjecting:

The Hon. BARBARA WIESE: No, I have no estimate of it, but it is considerable. There has been much debate in both Houses about corruption. It is an important consideration and I am as concerned as anyone else to ensure that we introduce a controlled system that keeps corruption out. However, in my opinion, there has been more concern generated about this issue than is necessary.

I would like to remind members how the issue of corruption was introduced into this debate in the first place. It did not come from the Police Commissioner, although he entered the debate later in the process. It did not come from the community. Unfortunately, some of the hysteria surrounding the issue of corruption was first whipped up by a Government agency—the Lotteries Commission. In its very first discussion paper on the topic issued last year—

The Hon. M.S. Feleppa: Are you saying everyone else was brainwashed by the commission?

The Hon. BARBARA WIESE: I am not saying that at all. I am saying that it was raised by the Lotteries Commission in its first discussion paper. I believe that the way in which that issue was raised by the Lotteries Commission in the first place was not helpful; it did not set out the true picture. I believe that the Lotteries Commission has played a very destructive role in the whole debate. Other members very adequately placed on the record some of the tactics that have been used during this debate. I will not go over that ground, but I am appalled by the ignorance displayed by senior people within the Lotteries Commission about the issue over which they have asked Parliament to give them authority and control.

Right from the beginning the Lotteries Commission indicated that, if it were not given ownership and control of gaming machines in this State, it would rather not see the machines in South Australia at all. It seems to me that that position has guided all its subsequent actions with respect to the Bill. In its first discussion paper the commission raised the spectre of fear of corruption by referring to corrupt practices that existed in New South Wales in a bygone era. It did not acknowledge adequately the extent to which technology has improved and now provides the tightest controls over gaming machines.

Furthermore, they had the audacity to say that, if they were not in control, there would not be adequate control at all. From the beginning they misrepresented the industry's preferred option as an option which allowed industry control of the system. I believe that that was a deliberate misrepresentation of the truth. Over a period of months the Lotteries Commission has been associated with a campaign that has denigrated members of the industry and members of Parliament by suggesting that anyone who did not support its point of view was aiding and abetting corruption. I think that is outrageous and it should not be allowed to pass without comment.

During the debate on these matters I have been astonished to learn of the depth of feeling against the Lotteries Commission from within the tourism and hospitality industry. But I have not been surprised that such feeling exists, if the arrogance displayed towards members of Parliament is typical of this attitude in the industry. I gave up all hopes of the Lotteries Commission being associated with this project when it was invited to make a presentation to our Caucus on its scheme for the introduction of poker machines. It was very clear to me and to others that it had assumed that all it had to do was to demand the right to run the system, it would be granted, and it could work out the details of how to do it later.

The Lotteries Commission was ignorant of the range of issues to be addressed and did not have a clear plan. That left me with very little confidence that it was equipped to move into this area of activity. The industry, on the other hand, when given the same opportunity to address members of Caucus, presented a very clearly thought through position. To my mind it is no wonder that Minister Blevins opted for the system that is contained in the Bill, the system

which, by and large, has the support of the industry. The choice was an obvious one.

A great deal has been said about what this Bill does and what it does not do. I have alluded to the fact that the Lotteries Commission misrepresented the truth on certain features of the Bill to suit its own purposes. There have been others who have done this also, and those honourable members who have followed the media debate will have worked out for themselves who they are and what they represent.

Briefly, I would like to highlight the aspects of the Bill that I believe are most significant. First, the Bill distinguishes clearly between those things that Government does best and those things that private enterprise does best. Therefore, it provides that 100 per cent control of the system be placed in the hands of the Government, to prevent corruption. In this respect the Bill mirrors the Casino legislation, which has been described by the Police Commissioner as providing the most stringent and reliable control systems in Australia.

As with the Casino, the Liquor Licensing Commission, working with the Police Commissioner where appropriate, has responsibility on behalf of the Government for administering the Act. The Liquor Licensing Commissioner has responsibility for approval of all licences, staff, gaming machines, gaming equipment and the monitoring system. The Commissioner is responsible for disciplinary actions, inspections, monitoring and scrutiny of gaming machine operations, and so forth.

If this is not strong Government control, then I do not know what else one would call it. I support these responsibilities resting with the Liquor Licensing Commissioner because it is a logical extension of the work that is already undertaken by the Commissioner and his staff with respect to the monitoring of gaming facilities at the Adelaide Casino. In fact, the office of the Liquor Licensing Commissioner is the only Government body that has this relevant experience in this field, through the responsibilities already conferred on it by the Casino Act and the Liquor Licensing Act. I might say, too, that this proposal also provides the least cost option for the Government, since the additional workload is likely to be achieved with minimal additional resources. If the Lotteries Commission were to be given these responsibilities, an area in which it has no previous experience, a whole new bureaucracy would have to be created to cater for it. This would be a waste of money, a duplication of resources and, inevitably, there would be inconsistency in decisions affecting the gaming industry.

The second feature of the Bill which commends it is the Casino Supervisory Authority, which is designated as the overall body of appeal. This provides appropriate checks and balances and ensures that the administrative or regulatory authority, that is, the Liquor Licensing Commissioner, is not unfettered in his power. In addition, the Casino Supervisory Authority will have power either of its own volition or at the request of the Minister of Finance to inquire into any aspect of the gaming machine industry, any matter relating to the conduct of gaming operations pursuant to the Act, or any aspect of the administration of the Act.

The third feature of the Bill that distinguishes it from other alternatives put forward is that it provides for an industry body, the Independent Gaming Corporation, essentially to have first option to apply for a licence to provide and operate a computer system, approved by the Liquor Licensing Commissioner, for monitoring the operation of all gaming machines in hotels and clubs. I believe this will provide the best possible marriage of public and private sector effort because, as is the case with the Casino, the industry will maintain control over business decisions within a tight framework of regulation provided for and administered by the Government. My view is that Government should intervene in business activity only to the extent necessary to protect the public interest. In the case of gaming machines, I can see no good reason for the Government to be involved in ownership of machines, choice of machines, marketing, training of staff and other matters requiring management decisions which are best made by the people who run the business and who know better than anyone else their clientele and what is likely to be successful.

As I understand it, the Independent Gaming Corporation is a non-profit company limited by guarantee and funded on a user-pays basis. It is essentially an industry cooperative, which will provide bulk purchasing opportunities and advice and assistance in a range of matters to individual hotels and clubs. All these services will be provided within the stringent controls incorporated in the Bill and under the strong supervision of the Government authority—the Liquor Licensing Commissioner. There is no suggestion of self-regulation, as has been claimed—no self-regulation whatsoever. The choice we are making is not as it has been presented—a choice between an option which provides Government control and another that does not. Both options that have been presented so far provide Government control, but they differ as to which Government authority will exercise that control. I believe it should be the Liquor Licensing Commissioner, because he and his staff are the only Government officers who have relevant, hands-on experience in controlling gambling of this type.

As I see it, the advantage of the option presented in the Bill is that it also has industry support and provides a role for the industry in areas of decision making that have a direct bearing on business success without compromising on issues relating to security and control. It is a model which is proven. It is the system by which the Casino operates. It has been supported previously by the Parliament and the Police Commissioner. There is no suggestion that it has not worked in the case of the Casino. There is no reason to expect that it will not work successfully for hotels and clubs. It is sensible and also provides a rational use of resources as far as the Government is concerned.

They are the key issues upon which members have so far expressed reservation or disagreement. I am sure that, in Committee, there will be an opportunity for members to explore in much greater detail the options that are available and the various opportunities for control that the Bill provides and that amendments that may be moved by individual members provide in comparison with the Bill.

[*Midnight*]

There is one other issue to which I will refer, albeit briefly, because, although it was raised during the debate, it is completely separate from it and properly should have no impact on the outcome of the Bill. I refer, of course, to allegations raised by members opposite about the role played by me in the preparation of the legislation and any role and interest in the Bill that my partner Jim Stitt may have had. Without canvassing the allegations again, since they will be the subject of an inquiry, I simply want to place the following information on the record.

First, correspondence received by all members of Parliament from the Independent Gaming Corporation indicates that the Licensed Clubs Association and the Hotel and Hospitality Industry Association finalised their joint position on gaming machines and notified all members of Par-

liament of that position in September 1990—at least two months before the HHIA employed Jim Stitt to provide public relations advice on a range of issues and seven months before the Premier indicated that a Bill would be introduced into Parliament. The Independent Gaming Corporation has also advised that no consultant—including Mr Stitt—employed by it was employed to lobby on its behalf on any matter relating to gaming machines. It also advised that no consultants employed by it will receive a success fee or bonus in relation to this legislation.

Secondly, the Bill before the Parliament was drafted at the request of the Minister of Finance. He has indicated clearly to the Parliament that its contents were based on the Casino Bill, which he introduced some eight years ago, and that the decisions on what would be included were his. I have indicated that my involvement in the development stages of the Bill was peripheral and restricted largely to the question of taxation, since representation had been made to me on these matters by representatives of the industry.

I have indicated that, with the benefit of hindsight, I believe that it would have been prudent formally to advise my Cabinet colleagues of Jim's involvement with the HHIA, rather than assuming that they were all aware of it, even though Cabinet's consideration of this Bill was not in the usual form, since there was no endorsement of the content of the Bill. Cabinet simply gave approval for the Bill to be introduced, recognising that all members of the Government Party and other Parties would exercise a conscience vote on it and be free to move amendments.

Allegations surrounding this issue have been raised and fuelled by people with vested interests—some financial, some philosophical, some political—and I have been appalled that some members have made it clear that their consciences are conditional on other matters. This diminishes the value and standing of the conscience vote, which is exercised so rarely in Parliament, and that is regrettable. I trust that people of true conscience will not be deterred from exercising their vote freely on the issues contained in the Bill. I look forward to the Committee stage of the Bill and an outcome that will provide the greatest benefit to the tourism and hospitality industry and the people of South Australia whom it so ably serves. I support the second reading.

The Hon. ANNE LEVY (Minister for the Arts and Cultural Heritage): In closing the debate, I should like to thank all members who have contributed. The debate has been such that all possible points of view have been raised and covered by speakers on both sides of the Council. As this is a conscience vote and members are free to vote however they wish, I will not seek to change the views of those who oppose the Bill in its entirety. Rather, I seek to clarify what the Bill sets out to establish and to elaborate on the safeguards inherent in the proposed legislation, which will ensure that all participants in the gaming machine industry are subject to close scrutiny and control. The Bill provides for a licensed environment in which gaming equipment is privately owned but subject to Government regulation and control.

Participants in the industry will be licensed by the Liquor Licensing Commissioner only after the most stringent examination of applicants' fitness to hold a licence. Such examination will also invoke consideration of the views of the Police Commissioner. Under the Bill, the Police Commissioner must be furnished with a copy of all applications, and he or she may intervene on the question whether or not a person is a fit and proper person or, if the gambling machine licence were granted, public disorder or disturbance would be likely to result. This model of licensing and approval of applicants with the scrutiny of the Liquor Licensing Commissioner and the Commissioner of Police has worked and is working in respect of the operation of the Casino, as mentioned by the Minister a minute ago. I have every confidence that such a system of scrutiny and control exercised by persons of such integrity as the Liquor Licensing Commissioner and the Police Commissioner will work equally well in the gaming machines environment.

Superimposed above the Liquor Licensing Commissioner in the Bill is the Casino Supervisory Authority. Because of the broad powers vested in the Liquor Licensing Commissioner, the Casino Supervisory Authority will have powers of inquiry into *(a)* any aspect of the gaming machine industry; *(b)* any matter relating to the conduct of gaming operations pursuant to this Act; or *(c)* any aspect of the administration of the Act. The Casino Supervisory Authority will also be the appellate body. Again, this model has proved itself in relation to the operation of the Adelaide Casino. Surely, this is a powerful argument in favour of this arrangement.

As has been said by my colleague the Minister of Finance in another place, no other business in Australia has a cleaner group of employees. I must also add that the Casino is privately owned and operated and does so very successfully under Government supervision. With the benefit of this example, I am unable to accept the view that a private enterprise such as the Independent Gaming Corporation, subject to the same rigorous scrutiny of the Liquor Licensing Commissioner, the Police Commissioner and the Casino Supervisory Authority, would not perform equally as well as the Casino. To suggest that officers in a Government agency such as the Lotteries Commission are less prone to corruption than employees of the Independent Gaming Commission is not only unfair but also denies the reality of the Casino experience.

Enough has been said here and elsewhere about the relative merits of the Lotteries Commission and the Independent Gaming Corporation. All I say is that, with the safeguards in the Bill and with the benefit of hindsight in the operation of the Casino, I am certain that the model proposed in the Bill is the best for all parties involved. I am aware that amendments have been proposed in relation to this aspect of the Bill, and I will address these matters in the Committee stage.

The Bill also contains very strict provisions in relation to minors. The Liquor Licensing Commissioner, in considering submissions for gaming machine licences, is obliged under the Act to satisfy himself or herself that the proposed gaming area is not designed or situated so as to attract minors. This is in addition to other punitive measures in the Bill making it a serious offence for minors to play gaming machines or even to be in a gaming machine area.

As I said at the beginning of my speech, all views in relation to gaming machines have been canvassed and debated, and members will vote accordingly. My view is that the Bill and the structures, safeguards and other regulatory provisions contained in it provide the best, the most efficient and the most appropriate model for the introduction of gaming machines into this State.

I now turn briefly to some specific questions raised during the second reading debate. The Hon. Mr Burdett expressed some concern that premises could become mini casinos with up to 300 gaming machines. An amendment to clause 16, introduced in another place, imposes a limit of 100 machines per licence. The amendment further provides that where two or more licences are held in respect of the same premises the total number of all machines in all of the premises cannot exceed 100. This should cover this concern.

The honourable member also questioned the reason for including general facility licences. General facility licences cover a wide range of operations ranging from tourist facilities, wineries, cultural trusts, museums, buses, boats and limousines to premises which, to all intents and purposes, are hotels or clubs. For example, the Strathmore Hotel, the Norwood Football Club and various racecourses and sporting venues hold general facility licences. The rationale for including general facility licences was to provide for those venues which resemble hotels and clubs. Clause 15 (4) *(f)* of the Bill requires the Commissioner to be satisfied that the grant of the gaming licence would not detract from the character of the premises or the nature of the undertaking carried out on the premises. This will ensure that only those general facility licences which resemble hotels or clubs will be granted gaming machine licences.

The Hon. Mr Griffin expressed concern that the Bill does not provide adequate safeguards in respect of the transfer of ownership of entities that hold licences, in particular, shareholders. Again an amendment introduced in another place mirrors the provisions of the Liquor Licensing Act by defining a person in a position of authority in clause 3 (2) of the Bill to include shareholders. The honourable member also raised the question of photographs and fingerprints. The intention is that all applicants will be required to provide photographs and fingerprints, as is currently the case with casino employees. Clauses 18 and 19 of the Bill empower the Commissioner to require this information.

The honourable member also expressed concern about the inadequacy of the Bill's barring provisions. He is right that persons wishing to gamble after having been barred from one premises need only to go to another. However, this legislation does attempt to provide protection to families affected by excessive gambling. It is the only legislation in Australia which has attempted to address the problem and, while the provision may not be ideal, it does provide a mechanism. It would be impractical to provide a system which required the regulatory authority to advise all licensees of barred persons. I would certainly welcome any genuine improvements to this section of the Bill because we are all concerned that the social disruption from gaming is minimised.

The Hon. Ms Laidlaw expressed concern about minors and in particular was critical that the Government had not supported a proof of age card. In fact, a proof of age card has been introduced and can be obtained from motor registration. While the problem of minors should not be treated lightly, I believe that the Bill will assist licensees because it will be an offence for minors to be in the designated gaming area. This is quite different from the Liquor Licensing Act, which does not make it an offence for a minor to be on licensed premises, except in certain cirumstances. I commend the second reading to the Council. Other matters will be dealt with in Committee.

The Council divided on the second reading:

Ayes (12)—The Hons T. Crothers, M.S. Feleppa, Diana Laidlaw, Anne Levy (teller), R.I. Lucas, Bernice Pfitzner, Carolyn Pickles, R.R. Roberts, T.G. Roberts, C.J. Sumner, G. Weatherill and Barbara Wiese.

Noes (9)—The Hons J.C. Burdett, L.H. Davis, Peter Dunn, M.J. Elliott, I. Gilfillan, K.T. Griffin (teller), J.C. Irwin, R.J. Ritson and J.F. Stefani.

Majority of 3 for the Ayes.

Second reading thus carried.

WORKERS REHABILITATION AND COMPENSATION (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 4429.)

The Hon. C.J. SUMNER (Attorney-General): In concluding the debate, I thank members for their contributions. The Liberal Party's position on this Bill has been expressed by a number of members opposite. However, I will focus on the address by the Hon. Mr Davis, which covers the major points. The Hon. Mr Davis raised a number of matters. Many of these issues will be dealt with in the Committee stage of the Bill. I will therefore limit myself tonight to several key issues. First, I point to a statement made by the Hon. Mr Davis in his second reading speech in which he states that the Bill 'provides a clause giving WorkCover power to impose a supplementary levy on exempt employers in certain circumstances.' I do not know which Bill the Hon. Mr Davis has, but the Bill before us has no such provision. The Hon. Mr Davis has foreshadowed that his amendments to this Bill will include, among other things, the removal of journey accidents from the ambit of WorkCover, the exclusion of overtime in determining weekly payments and the reduction in benefit levels to 100 per cent for the first three months, 85 per cent for the next nine months and 75 per cent thereafter.

These three amendments will severely disadvantage injured workers and do not address the central issue associated with the costs of workers compensation; that is, the achievement of savings in workers compensation by preventing workplace injury and death and assisting injured workers back into the workplace by providing rehabilitation and making suitable work available.

The Hon. Mr Davis referred in his speech to the significant decline in WorkCover claim numbers and suggests that this is purely the result of the recession. However, he ignores the more important factor of the operation of the bonus penalty system which commenced operation in 1990. The bonus penalty scheme has made employers much more aware of their responsibilities. WorkCover statistics indicate that a minority of employers, some 7 per cent of the total, are responsible for 94 per cent of the costs. The fact that poor performers have to pay more and the improved administration by WorkCover have resulted in a significant reduction in claim numbers.

On 15 April 1992 the full bench of the Supreme Court dismissed an appeal by the WorkCover Corporation. The corporation appealed Judge Mullighan's decision of September 1991 and sought a ruling on the interpretation of sections 35 and 36 of the Act. The decision by the full bench was a complex one and the Government is seeking legal advice on its implication for the WorkCover scheme and the form that any amendments should take in relation to that matter.

Bill read a second time.

RACING (INTERSTATE TOTALIZATOR POOLING) AMENDMENT BILL

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

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

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

This Bill proposes amendments to the Racing Act, 1976, to permit the South Australian Totalizator Agency Board to amalgamate its win and place totalizator pools with those of the Victorian TAB.

The Victorian TAB win and place totalizator pools currently include equivalent pools from the Australian Capital Territory, Northern Territory and Tasmanian TAB's. It is also understood the West Australian TAB will be invited to join this group.

The amalgamation of win and place pools with the Victorian TAB is considered to be a significant initiative which, if introduced, will prove beneficial to both the Racing Industry and State Government.

The amalgamation of South Australian TAB win and place pools with the Victorian TAB offers a number of advantages including:

Some turnover currently invested interstate by South Australians would be invested locally because of the larger pools.

Larger pools would be conducive to larger investments being placed on the South Australian TAB. They would also encourage clients who are not betting at all, or betting with other sources such as illegal bookmakers, to invest with the South Australian TAB.

It is also considered the amalgamation of win and place pools with the Victorian TAB will result in a significant increase in turnover and resultant profit to the Racing Industry and State Government. When the Australian Capital Territory TAB amalgamated win and place pools with the Victorian TAB, the Australian Capital Territory TAB advised that in the first year of linked pools, Australian Capital Territory TAB total turnover increased by nearly 25 per cent and when Tasmanian TAB amalgamated their win and place pools with the Victorian TAB, turnover increased by 14 per cent.

A statutory deduction of 15 per centum for win and place totalizator pools presently applies in Victoria. However, on 18 February 1992, the Victorian Minister for Sport and Recreation, Neil Trezise announced that he was considering reducing Victoria's rate of deduction on the above pools from 15 per centum to 14 per centum. South Australia's rate of deduction is currently 14.5 per centum for these types of investments. New South Wales, which currently holds 42 per centum of the national pools for win and place, has a rate of deduction of 14 per centum.

To alleviate the necessity to amend the South Australian legislation for statutory deductions applicable to win and place totalizator investments, should Victoria's rate be subsequently amended, the Bill proposes that the rate applicable shall be the rate applied in Victoria providing it is between 14 per centum and 15 per centum. Should the Victorian rate of deduction, in future years, fall outside the 14-15 per centum range then South Australia will no longer continue to combine its win and place pools with Victoria, unless the Racing Act is amended accordingly. If the Act is not so amended, the South Australian TAB will revert to the present situation of calculating dividends from its own investments. The rate of deduction for those investments will be 14 per centum.

It is considered that the levels of increase in turnover based on a 14 per centum rate of deduction, will be greater than the increase if there was a 15 per centum rate of deduction. This consideration is based on the fact that an improved competitive advantage would exist and that higher dividend returns will lead to greater re-investments.

For the 1991-92 financial year, it is estimated that total TAB turnover will be close to $500 million. The following table, using $500 million as a base, shows the estimated range of increases in turnover and resultant profit. Profit will continue to be shared equally between the Government and Racing Industry.

Estimated % Increase on TAB Turnover	Resultant Increase in Turnover	Estimated Increase in Distributable Profit	
		14% Statutory Deduction	15% Statutory Deduction
	$	$	$
5	25 000 000	220 000	3 970 000
7.5	37 500 000	1 621 350	5 496 350
10	50 000 000	3 070 250	7 070 250
12.5	62 500 000	4 519 250	8 644 250

In interpreting this table, it must be acknowledged that the higher increases in turnover are more likely to be achieved with the lower rate of deduction.

The South Australian TAB will pay to the Victorian TAB an administration fee of 0.125 per cent of processed South Australian turnover. The charge covers all costs and capital charges that will be incurred by the Victorian TAB as a result of the amalgamation process.

The target date for the amalgamation of win and place totalizator pools with Victoria is 1 September 1992.

The proposal is supported by all sections of the Racing Industry.

Clauses 1 and 2 are formal.

Clause 3 inserts definitions of 'interstate TAB' and 'quinella' into the principal Act.

Clause 4 amends section 68. New paragraph *(a)* inserted by the clause preserves the effect of existing paragraph *(a)* in respect of quinellas. All other bets on a single however will be subject to the same deductions as are made by the interstate TAB with which our TAB has entered into an agreement under section 82a. An agreement cannot be made under section 82a and an agreement already made under that section ceases to operate if the amount that the interstate TAB deducts under its law exceeds 15 per cent or is less than 14 per cent of the amount of the bets (see section 82a (4)). In this case subparagraph (ii) of paragraph *(ab)* provides that 14 per cent will be the amount to be deducted.

Clause 5 inserts new section 82a into the principal Act. The section enables our TAB to enter into an agreement with an interstate TAB to accept bets for pooling with those placed in another State or Territory. The agreement must have the Minister's approval and can only apply to singles but not to quinellas. An authorised racing club can accept bets as subagent of the South Australian TAB. The interstate TAB must deduct from the bets the amount it would have to deduct under the law of its own State or Territory. The amount deducted must be applied by the South Australian TAB in accordance with section 69. This is subject only to the amount of the fee agreed to be paid to the interstate TAB and any amount required to make up dividends to a minimum level (see subsection (6)). The reason for excluding the Racecourses Development Board from the distribution under section 69 is that it is only entitled to a percentage of bets on doubles and multiples and all the bets under the agreement will be on singles. The agreement must provide that the South Australian TAB is entitled to fractions and unclaimed dividends. These must be applied in accordance with sections 76, 77 and 78 (3) of the principal Act. Subsection (4) provides that the agreement will terminate if the interstate law changes so as to preclude the agreement from operating as originally contemplated.

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

ASSOCIATIONS INCORPORATION (MISCELLANEOUS) AMENDMENT BILL

Returned from the House of Assembly with amendments.

BUILDING SOCIETIES (SHARE CAPITAL) AMENDMENT BILL

Returned from the House of Assembly without amendment.

SOUTH AUSTRALIAN OFFICE OF FINANCIAL SUPERVISION BILL

Returned from the House of Assembly without amendment.

ADJOURNMENT

At 12.25 a.m. the Council adjourned until Wednesday 29 April at 2.15 p.m.