

## LEGISLATIVE COUNCIL

Tuesday 18 March 1997

The **PRESIDENT (Hon. Peter Dunn)** took the Chair at 2.15 p.m. and read prayers.

### PAPERS TABLED

The following papers were laid on the table:

By the Minister for Education and Children's Services (Hon. R.I. Lucas)—

Regulations under the following Acts—  
Public Corporations Act 1993—Dissolution of  
TransAdelaide—  
Mile End  
St. Agnes  
Racing Act 1976—Deductions from Bets  
Public Sector Management Act 1995—Information relating to the Appointment of all Ministers' Personal Staff

By the Attorney-General (Hon. K.T. Griffin)—

Regulations under the following Acts—  
Art Gallery Act 1939—Opening Times  
Legal Practitioners Act 1981—Miscellaneous and Fees  
Occupational Health, Safety and Welfare Act 1986—Code of Practice for Tuna Farm Diving  
Rules of Court—Supreme Court—Supreme Court Act 1935—Appeal from District Court

By the Minister for Transport (Hon. Diana Laidlaw)—

Regulations under the following Acts—  
Dentists Act 1984—Variation  
Harbors and Navigation Act 1993—Person Towed by a Vessel.

### POLICE RESPONSE TIMES

The **Hon. R.I. LUCAS (Minister for Education and Children's Services)**: I seek leave to table a copy of a ministerial statement made in another place today by the Minister for Police on the subject of police response times.

Leave granted.

### QUESTION TIME

#### SCHOOL SITES, PURCHASE

The **Hon. CAROLYN PICKLES**: I seek leave to make a brief explanation before asking the Minister for Education and Children's Services a question about school sites.

Leave granted.

The **Hon. CAROLYN PICKLES**: In the 19 February edition of the *Guardian Messenger*, two examples were given of private schools' bidding for premises vacated because of the closure of two Government schools. Sacred Heart College for secondary students is apparently investigating the purchase of the former Mawson High School site at Hove, and Maranatha Christian Assembly and School has taken steps to purchase the adjacent Sturt Primary School site following its closure last year. My question to the Minister is: in how many cases where public schools have closed over the past three years have bids or expressions of interest been received from private schools and, in the case of the Sturt Primary School site, does the Maranatha proposal preclude community use of the extensive Sturt Primary School playing fields in the future?

The **Hon. R.I. LUCAS**: I would need to take some advice on the last three years. I must admit, thinking very quickly, that I cannot think of any examples where we have sold closed Government schools to non-government schools for continuation of the use of the site. As I said, I am going on memory. There may well be an isolated example here and there but certainly, in the main, the closed sites would tend to have been used for other purposes or indeed have not yet been sold. So, I would need to take advice on that. As I said, I cannot recall any examples in South Australia.

In relation to the two sites mentioned by the honourable member, I am not in a position to indicate the nature of any confidential negotiations that may or may not be going on in relation to those two sites. If the individuals who might be interested in any particular site feel free to comment publicly, that is, I guess, a judgment for them. There might be some examples, but I am not aware if any of the interested parties in relation to both sites have commented publicly. I would need to check the public record to confirm that. Until a decision has been taken by the Department for Environment and Natural Resources, the agency which sells surplus Government property, I am a little restricted in terms of that confidential negotiating process.

### AUSTRICS SOFTWARE

The **Hon. DIANA LAIDLAW (Minister for Transport)**: I seek leave to make a ministerial statement regarding the Austrics software package.

Leave granted.

The **Hon. DIANA LAIDLAW**: I am delighted to announce that South Australian computer software developed through TransAdelaide's subsidiary Austrics is set to earn the State millions of dollars in European sales. Giant French transport company CGEA will market and sell the new software package in Europe. The package sells for between \$200 000 and \$1 million; thus the economic benefits to Austrics and this State are obvious. I signed the distribution agreement with CGEA on behalf of the Government, together with Austrics Chairman Mr Graham Brown, on 21 February 1997, and I signed a further agreement late last week.

Austrics was established in Adelaide in November 1993 to develop computer software for timetabling, scheduling and rostering of passenger transport vehicles and drivers. It is one of only two or three software companies worldwide that can offer a full suite of software for all transport needs.

CGEA, in itself a major European operator with 7 000 buses, has recently established a regional head office in Adelaide and is strongly positioned to promote and sell the South Australian technology. The French multinational company has already had success marketing Austrics software in Europe, selling it to an operator in Italy, and negotiations are under way in Greece and Switzerland.

Austrics has already sold the software package to companies in Darwin, Melbourne, Hobart and Perth, and is currently bidding for two contracts in Hong Kong. It is therefore already in use across Australia as well as in Scotland, Malaysia and France. I believe that the partnership between Austrics and CGEA offers a positive example of partnerships between South Australia and overseas companies which together are operating in a world market and providing significant benefits to the State.

## WOMEN'S SHELTERS

**The Hon. DIANA LAIDLAW (Minister for Transport):** I seek leave to table a ministerial statement given this day by the Minister for Family and Community Services (Hon. D.C. Wotton) on women's domestic violence services in South Australia.

Leave granted.

## CEDUNA PIPELINE

**The Hon. R.R. ROBERTS:** I seek leave to make a brief explanation before asking the Leader of the Government, representing the Minister for Infrastructure, a question about the water pipeline extension at Ceduna.

Leave granted.

**The Hon. R.R. ROBERTS:** I have received a number of pieces of correspondence from people living in the Ceduna area about the pipeline extension project. I prevail on the Minister to provide clarification and information for those constituents. It would appear that the State Government has allocated funds for the extension of the water pipeline west of Ceduna to enable water to be available to Denial Bay and to farmers along the route. It is planned that this pipeline would eventually reach Koonibba. I understand that some funding from ATSIC is involved in this. A number of concerns have been raised about the scheme, including the costs involved, especially the costs to the people in those nearby areas. The problem with the scheme is that the cost to the people of the area has not yet been decided or certainly not made public. In fact, people in Denial Bay have heard that SA Water is no longer administering the scheme and that the local council has become involved in the administration of the scheme. The figures provided tentatively of the cost to ratepayers for the service have been described as staggering. It is claimed that these people will be asked to pay a levy for the pipeline, even if they do not want water from it. That levy could be about \$400 or more.

Most people in the area are farmers and have their own stock of water, but these people will also have to pay dearly for the water—about \$1.35 a kilolitre. People in the metropolitan area, by comparison, pay 22 cents for the first 125 kilolitres, 89 cents between 126 to 400 kilolitres and 91 cents per kilolitre over 400 kilolitres. Besides the prohibitive price of the water, I am advised that people in nearby Ceduna do not have to pay the same prices as are being anticipated.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. R.R. ROBERTS:** My questions to the Minister are:

1. What is the status of the administration of the scheme? Is the local council or SA Water in control of the costs of the scheme?

*The Hon. Caroline Schaefer interjecting:*

**The Hon. R.R. ROBERTS:** When you are Minister you can answer the question.

2. When will the people in the area west of Ceduna know the price to be paid for their water?

3. Why do these people have to pay a levy? Why is the cost of water higher than for people in the metropolitan area or higher than for people living in nearby Ceduna?

**The Hon. R.I. LUCAS:** I am sorely provoked by interjections from my colleagues behind me, but I will not respond. I will refer the honourable member's questions to the appropriate Minister and bring back a reply.

## TORRENS RIVER

**The Hon. T.G. ROBERTS:** I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for Environment and Natural Resources, a question on the River Torrens clean-up.

Leave granted.

**The Hon. T.G. ROBERTS:** In the latest edition of the *Messenger Weekly Times* of 12 March is an article on waterways under the heading 'Cleaning Torrens, \$10 million team effort' by David Wesolowski. The article states:

A combined effort by the State Government, business and community may see a healthier, cleaner River Torrens in five years. The \$10 million project will strive to help out nature and restore the environment of Adelaide's largest waterway. Funding will be divided between various projects over five years, including pollution control, community education, urban best management, ecology and habitat and water quality monitoring. Environmental Minister, Mr David Wotton, said the ultimate goal was to change the human practices along the river, which have been responsible for its degradation and University of Adelaide zoology lecturer, David Paton, said the river was in a deplorable state. He said the focus should be on preventing pollutants from entering the Torrens and the new plan sounds like good common sense stuff. Torrens Catchment Water Management Board Chairman, Jay Hogan, said the way the entire catchment was managed would be reflected in the quality of water from the creeks in the Mount Lofty Ranges to the St Vincent Gulf.

'The good common sense stuff', as described in that article, is basically the Opposition's position on what was to be the clean-up of the Patawalonga. The Patawalonga was not cleaned up using good common sense stuff and consequently we see the problems associated with the dragon boat race—

*The Hon. Caroline Schaefer interjecting:*

**The Hon. T.G. ROBERTS:** As long as there is no rain of any significant proportion that will drain into the Patawalonga, and I would not be too quick to say that.

**The Hon. A.J. Redford:** You guys have a really good record—

**The Hon. T.G. ROBERTS:** If the honourable member wants to look at the time frame set by his own Government, it has been here for three years and has not done anything except talk about it. With a five year lead time—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. T.G. ROBERTS:** If the article is right—I am quoting the time frames given in the article—and with a five year lead time, it makes eight years before the people of South Australia will see anything, given that you have a plan. You have a plan and it will take eight years.

**The PRESIDENT:** The honourable member is debating the subject.

**The Hon. T.G. ROBERTS:** Thank you, Mr President. If the interjectors had kept quiet, I would not have had to give them a lesson. My questions are as follows:

1. Why did the Government not use the same principles outlined by the Torrens Catchment Water Management Board Chairman, J. Hogan, to clear up the Patawalonga?

2. Now that the principles have been spelt out, when can South Australians expect to see some qualitative improvements along the Torrens, or will it be the five years as the *Weekly Times Messenger* states?

**The Hon. DIANA LAIDLAW:** A major effort is being made by the Government, not only in terms of stormwater but in terms of the purchase of racks, water catchment boards and a whole range of things to deal with pollutant problems in our creeks and the Patawalonga that have been outstanding for a long time. It is more than ungracious of the honourable member not to even acknowledge those efforts. When they

were in Government, you could not even dip your big toe in the Patawalonga. I remember that we used to be able to swim there and we will soon be able to do so again. The dragon boat races are going ahead at the site. We are cleaning it up and it is relevant that you could not even acknowledge that that effort was made. I will pass these specific questions to the Minister and bring back a reply.

#### TRANSPORT, NEW YEAR'S EVE

In reply to **Hon. G. WEATHERILL** (4 February).

**The Hon. DIANA LAIDLAW:** In response to the honourable member's questions regarding the New Year's Eve transport services, I provide the following comments.

- Tram services between the City and Glenelg encountered an unprecedented demand on New Year's Eve. While supplementary bus services had been scheduled, the capacity to handle the numbers of customers was exceeded.
- All available staff at Glengowrie Tram Depot were rostered to work on the New Year's Eve services and an additional four staff from other depots were used by Glengowrie. This provided coupled sets of trams at 15 minute intervals until 4.00 a.m. when the service was reduced to 20 minute intervals. A total of 40 bus trips was also rostered between the city and Glenelg to supplement this service.
- Problems did occur with the number of customers travelling to Glenelg and transferring off bus services on to the trams at stop 10. This caused customers to become frustrated as trams from the city went past full. It is true that trams had windows broken by these customers and did need to go into the depot to have broken glass removed.
- A heavy police presence had been arranged for the tram line and this was further supplemented by local patrols. In addition, several TransAdelaide managers and the Transit Police inspector were in attendance.
- All New Year's Eve services on the Outer Harbor train line were built-up by at least one additional railcar.
- TransAdelaide was informed that after the Jimmy Barnes' concert had finished, other bands would continue until 2.30 a.m. and, that it was highly likely that most patrons would stay beyond Jimmy Barnes' performance.
- No train service left Adelaide Station at 11.32 p.m., however, a regular service to Outer Harbor departed at 11.13 p.m., scheduled to reach Alberton Station at 11.29 p.m.
- The next regular service to Outer Harbor departed Adelaide at 11.57 p.m., arriving Alberton Station at 12.13 a.m. on New Year's Day.
- A special service departed Adelaide at 12.17 a.m., arriving Alberton Station at 12.33 a.m. This service was scheduled to terminate at Glanville. Due to passenger demand this service was extended to Outer Harbor.
- In addition to the above, extra free services were scheduled, departing Adelaide at 1.13 a.m. and 2.14 a.m. to Outer Harbor.

#### DUCK HUNTING

In reply to **Hon. T.G. ROBERTS** (11 February).

**The Hon. DIANA LAIDLAW:** The Minister for the Environment and Natural Resources has provided the following information.

1. The *National Parks and Wildlife (Hunting) Regulations 1996* which came into operation on 1 September 1996 do not incorporate novice or international hunter concessions.
2. As there is no new hunter category there is no requirement to police this matter.

#### MOUNT LOFTY SUMMIT

In reply to **Hon. T.G. ROBERTS** (25 February).

**The Hon. DIANA LAIDLAW:** The Minister for the Environment and Natural Resources has provided the following information.

The honourable member has asked two questions concerning the possible spread of the cinnamon fungus (*Phytophthora cinnamoni*) during the recent construction of the Visitor Information Centre on Mount Lofty Summit.

It is important to put this subject into its proper context. Cinnamon fungus has been present at Mount Lofty for many years. As the Summit was allowed to deteriorate under the previous Government for the past 14 years the fungus has spread through uncontrolled

stormwater run-off, walkers using poorly maintained tracks, vehicles traversing power line easements and natural agents.

One of the objectives of the Mount Lofty redevelopment was to implement measures to reduce the spread of the disease.

The specific measures implemented are as follows—

All the top soil was retained on site and used in the landscaping work once the car park had been finished. Rock from the site was stock piled at the St Michael's site and used in building the swales in the car park.

The car park has been designed to minimise the possibility of the fungus being transported by water movement, this is an important part in the overall strategy to reduce the possibility of spreading the fungus.

Other measures have been taken to help minimise the threat of the fungus. These include retaining storm water in sites except in an extreme storm event, sealing the car park and roadways, managing drainage water into already infected areas, providing a formed surface on walking paths, and mulching newly planted areas to minimise run-off.

Furthermore, staff at Mount Lofty are currently working with experts from the Botanic Gardens to develop a long term threat abatement plan for *Phytophthora* on the Summit. This will form part of a statewide approach to the management of this serious threat to our native vegetation.

While a number of important strategies have been put in place to minimise the spread of the fungus it is not possible to totally reduce the risk to native vegetation.

#### GARDEN ISLAND DUMP

In reply to **Hon. T.G. ROBERTS** (13 February).

**The Hon. DIANA LAIDLAW:** The Minister for the Environment and Natural Resources has provided the following information.

The Western Region Waste Management Authority is currently discussing the future of the Garden Island landfill with the MFP Corporation, as land owner, and has proposed an extension of the life of the facility.

A detailed proposal has not yet been developed and would require thorough assessment before necessary approvals were considered.

Until a detailed proposal is made available, the future of Garden Island landfill can not be determined.

#### DISTINGUISHED VISITORS

**The PRESIDENT:** I draw to the attention of members the fact that we have in the gallery members of the Playford Trust, the former Premier, Hon. Des Corcoran, Hon. Jennifer Cashmore, Hon. Don Laidlaw, a former member of this Chamber, and other significant members of the trust.

Also, I draw members' attention to Ms Helen Hodgson, who is a member elect for the Legislative Council of Western Australia and who is sitting behind Playford Trust members. As she is a Democrat, I therefore call on the Hon. Sandra Kanck.

#### ETSA PROGRAMS

**The Hon. SANDRA KANCK:** I seek leave to make a brief explanation before asking the Minister for Education and Children's Services, representing the Minister for Infrastructure, a question about ETSA.

Leave granted.

**The Hon. SANDRA KANCK:** I refer to the spate of power blackouts which occurred during the heatwave experience in Adelaide in February. On 20 February I made statements to the media that these outages occurred because of drastic cuts in the maintenance and capital works budget over the past five years. However, ETSA Corporation responded with a media release which contradicted my comments. It stated:

ETSA Corporation refutes Sandra Kanck's allegation that this week's power outages are partially due to decreases in maintenance and capital works programs.

Therefore, it was with great surprise that I read in the *Advertiser* of 3 March 1997 that the Government will be injecting \$10 million 'for urgent capital works in the areas most affected by blackouts and breakdowns during the heatwave'. Quoting Premier Olsen, the article states:

'The demanding hot weather conditions—the worst experienced in South Australia for 60 years—highlighted the parts of the electricity distribution system which need upgrading.'

We have been receiving conflicting messages from ETSA Corporation and the Government about this issue. So, my questions to the Minister are:

1. Given that ETSA denied any deficiencies in the system and one week later the Government announced an injection of \$10 million to upgrade black spots, does not this imply that capital works and preventive works programs have, indeed, been neglected?

2. Will the Minister assure this Parliament that maintenance is being kept up and capital works programs are being carried out in accordance with prudent engineering practices?

**The Hon. R.I. LUCAS:** I will refer the honourable member's questions to the Minister and bring back a reply.

#### TARIFFS

In reply to **Hon. T. CROTHERS** (3 July 1996).

**The Hon. R.I. LUCAS:**

1. & 2. The Premier is aware of the history of tariff barriers in Australia.

3. Treasury has advised the Premier that the impact of the Commonwealth cuts on the South Australian budget will be manageable. Furthermore, the reduction in funding is not expected to change the State Government's target in returning to an underlying surplus in 1997-98. The State Government was conscious, in developing its debt reduction strategy, not to deny itself any discretion to finance important new initiatives that will be of benefit to the State.

4. Over the five years to 1995-96, manufactured exports from South Australia increased 46.9 per cent to approximately \$2.7 billion. This was attributed to the increase in exports including food, beverages and tobacco (63.1 per cent), metal products (34.7 per cent), machinery and equipment (100.3 per cent) and other manufacturing (45.8 per cent).

5. The Premier does not acknowledge that employment increases in the wine industry have been solely aided and abetted by the Federal Labor Government.

In August 1984 the wholesale sales tax (WST) on wine was 10 per cent. This was increased by the Federal Labor Government to 20 per cent in August 1986, with further increases to 31 per cent announced in Labor's August 1993 Commonwealth budget. The Federal Labor Government, under a compromise agreement with the Winemakers' Federation of Australia, eventually increased the rate of WST to 22 per cent from 20 October 1993, followed by subsequent increases to 24 per cent from 1 July 1994 and 26 per cent from 1 July 1995.

6. Some initiatives the South Australian Government have instituted since 1993 in relation to the wine industry are:

- Additional water has been made available to the wine industry from the River Murray.
- The Wine Tourism Council has been established.
- A Wine Tourism Guide has been published.
- Training schemes for vineyards have been implemented.
- The National Wine Centre has been announced.
- In December 1993 a study commenced to examine the effects of the August 1993 increase in the wholesale sales tax on wine, on the South Australian wine industry. The study was released in July 1994.
- In April 1995, a \$30 million Plant Research Centre, initiated and funded by the South Australian Government, was opened. This centre houses the South Australian Research and Development Institute (SARDI), Primary Industries of SA (PISA), the cooperative Research Centre for Viticulture, the CSIRO Division

of Horticulture, and the University of Adelaide's Department of Horticulture, Viticulture and Oenology.

7. From January 1994 to December 1996, total employment in South Australia increased 21 200 or 3.3 per cent. Furthermore, the unemployment rate fell from a high of 11.1 per cent in January 1994 to 9.6 per cent in December 1996. This represents a fall of 1.5 percentage points.

The South Australian Government has recently announced a \$29.7 million three year strategy aimed at reducing the levels of youth unemployment in the State.

There are three key components of the strategy, including:

- Vocational Education in Schools, which will ensure all students are work ready and better planned for their career pathways;
- Employment Encouragement Initiatives for Employers such as a WorkCover levy exemption and a payroll tax rebate on the wages of a young worker; and
- Other Training and Employment Initiatives including a community based employment brokerage scheme, group training in South Australia, an extension of Upskill SA, implementation of regional labour exchanges and the establishment of an employer information scheme.

Furthermore, as part of the first package of small business initiatives, an Employment Advisory Service pilot program will be implemented to encourage small businesses to employ more people.

This service will offer:

- a telephone inquiry service to advise on basic human resource management issues;
- an advisory service provided by registered human resource management consultants; and
- a face-to-face advisory service to help small business with government administrative procedures associated with employment.

#### CENTRE FOR INTERNATIONAL TRADE AND COMMERCE

In reply to **Hon. P. NOCELLA** (5 February).

**The Hon. R.I. LUCAS:** No. Unlike other Council for International Trade and Commerce SA Inc. (CITCSA) members, the Chief Executive, Office of Multicultural and Ethnic Affairs (OMEA) has dual responsibilities. Besides his board role, as Chief Executive of OMEA he is duty bound and has the authority to ensure the OMEA funds to CITCSA are well managed and that SA taxpayers receive value for money. The Minister for Multicultural and Ethnic Affairs has complete confidence in the Chief Executive of OMEA in both his official capacity and as a board member of CITCSA.

#### YOUTH ACTION PANELS

In reply to **Hon. R.D. LAWSON** (26 February).

**The Hon. R.I. LUCAS:**

1. Yes, I received a letter dated 22 November 1996 from Mr Begg, Director, Australian Community Safety and Research Organisation, regarding youth action panels. Mr Begg sent information which included a copy of the evaluation of the program carried out in Queensland.

2. Yes, I sent a response to Mr Begg, indicating that South Australia was not considering supporting youth action panels with funds or endorsement at this stage. However, I forwarded information on the program to the SA Secondary Principals Association for their consideration. The decision to introduce the program would be made by each individual school, in consultation with staff, the school council and the student representative council. I am advised there has not been a response from the Secondary Principals Association at this time.

3. Yes, I asked officers from the Department for Education and Children's Services (DECS) to investigate the merit and usefulness of youth action panels. DECS already has a Student Participation Policy in schools which encourages students to contribute to the decision making, safety and welfare of each school through class meetings and the formation of a Student Representative Council in each school.

As mentioned on 26 February 1997, DECS, in collaboration with SA Police, has a strong crime prevention program called School Watch in 253 schools. School Watch encourages students to determine and participate in crime prevention initiatives to increase the safety of the school community and its buildings. School Watch uses, as one of its strategies, the formation of a sub-committee of the Student Representative Council to determine crime prevention

initiatives which students suggest and action with the approval of staff and the School Council. The School Watch Program addresses similar activities as those promoted by Youth Action Panels.

DECS also works collaboratively with the Crime Prevention Unit and SA Police in a range of other crime prevention programs.

### BUS SERVICES, HILLS

**The Hon. T.G. CAMERON:** I seek leave to make a brief explanation before asking the Minister for Transport a question about the bus services to the Belair/Blackwood area.

Leave granted.

**The Hon. T.G. CAMERON:** Recently, I have been contacted by residents who live in the Belair/Blackwood area who are totally dissatisfied with the bus services they currently receive. For example, on the 195/196 and the 738/739 bus routes there are no services on Sundays or public holidays including Easter, Christmas and Anzac Day.

*The Hon. Diana Laidlaw interjecting:*

**The PRESIDENT:** Order!

**The Hon. T.G. CAMERON:** The Minister will get the opportunity to answer the question. The only public transport available on those days to the many elderly people who live in the area is an hourly train service from the Belair line. This is unsuitable for many elderly commuters as they do not live near the line and the distance is too great for them to walk. They find it extremely difficult to get out and about and to visit family and friends on special occasions due to the lack of a bus service.

I am informed that the TransAdelaide Morphettville Depot, which won the contract for the Belair/Blackwood area, requested additional funding late last year to pay for extra services in their tender submission to the Passenger Transport Board. I inform the Minister that they are still waiting for a reply, as are the commuters. My question to the Minister is: will the Passenger Transport Board make available additional funding to the TransAdelaide Morphettville Depot so that it has the necessary funds that are required to run additional services in the Belair/Blackwood area as outlined in its tender submission, and when will a response be forthcoming?

**The Hon. DIANA LAIDLAW:** The honourable member should have done his homework. I suggest that he do some more work on some of the questions that he asks in this Chamber because he puts his foot right in it, as he has done today. The reason that the Belair/Blackwood area does not have these services is because Labor cut them out in 1992 and it is taking some time, because of the debt and other issues, to build up patronage—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. DIANA LAIDLAW:** —and to make savings so that we can reinvest in the services that the people want. Until savings are made to allow for that reinvestment, we cannot go on, as Labor has done, simply cutting services while the operating subsidy continues to escalate. So, we have not adopted and will not adopt Labor's approach to public transport. There has been a positive turnaround in the attitude of people and drivers, and services have been increased and extended. If the honourable member took an interest in the matter of contracts, he would know that, in terms of the contract which TA has been operating in this area, which embraces Belair and Blackwood, it takes six months from when responsibility for the contract is undertaken for the introduction of new services. That period of time is applied to every contract, whether it be Serco in the outer

or inner north or TransAdelaide in the north-east or these other areas.

*The Hon. T.G. Cameron interjecting:*

**The PRESIDENT:** Order! The honourable member has had the chance to ask his question.

**The Hon. DIANA LAIDLAW:** The services have been included in the contract with the Passenger Transport Board. That contract was accepted on the basis of fulfilling those obligations that TransAdelaide presented in terms of its bid. The funds were taken into account in terms of TransAdelaide putting in that bid, and the Passenger Transport Board accepted it on those terms. It has six months from 12 January to implement those services. I have no doubt that it will, because otherwise it will be in breach of its contract.

**The Hon. T.G. Cameron:** So the answer is 'No.'

**The Hon. DIANA LAIDLAW:** The answer is not 'No.' If you had listened, I said it had six months from the time it undertook its contract—which was 12 January—to implement those services, otherwise I suggest that it is in breach of its contract. That is what I said. Just listen.

*The Hon. T.G. Cameron interjecting:*

**The Hon. DIANA LAIDLAW:** Its funding is part of the undertaking that the PTB accepted from TransAdelaide when it presented its bid. That was dealt with in the contractual negotiations and is in the contract.

### ISLINGTON WORKSHOPS

**The Hon. CAROLINE SCHAEFER:** I seek leave to make a brief explanation before asking the Minister for Transport a question about dismissals from Islington rail workshops.

Leave granted.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. CAROLINE SCHAEFER:** On 10 March the Deputy Leader of the Opposition—

*Members interjecting:*

**The PRESIDENT:** Order! The honourable Minister and the Hon. Terry Cameron will refrain from across-the-Chamber parleys.

**The Hon. CAROLINE SCHAEFER:** On 10 March the Deputy Leader of the Opposition (Ralph Clarke) claimed that 250 workers would be dismissed from Islington rail workshops. In the *Advertiser* on Tuesday, 11 March, Australian National described his allegations as 'absolutely and utterly untrue'. The Deputy Leader of the Opposition went on to say that 250 workers would leave Islington on Friday and only 50 to 60 workers would be left. Obviously that has caused a great deal of consternation amongst those workers. Can the Minister give us the accurate figures as to the number of people who have finished at Islington?

**The Hon. DIANA LAIDLAW:** I am pleased that the honourable member has asked this question, because Mr Ralph Clarke, as Deputy Leader of the Labor Party, a position of some respect and authority one would assume, went ahead and made a statement on 10—

**The Hon. A.J. Redford:** He is only short term.

**The Hon. DIANA LAIDLAW:** He is probably very short term; certainly the rumours would suggest that.

**The Hon. Caroline Schaefer:** He is only temporary.

**The Hon. DIANA LAIDLAW:** He is only temporary Deputy Leader. He went and made a statement which was a cruel statement in terms of the skilled workers at Islington and at AN generally. As the honourable member has men-

tioned, he made a statement that 250 people would be leaving last Friday. Due to the decline of the workshops over some 15 years there are not even 250 workers there now. Had he done his homework he would have recognised that the statement was utterly false; it was cruel and it should not have been made. Mr Clarke was given that advice before he issued his statement, yet he went ahead and issued it anyway. That would be a despicable action from the Labor Party at any time, but it is particularly so when many of the people who work at Islington are within Mr Clarke's electorate. They are also under considerable pressure in terms of the sale of Australian National. However, I wish to stress that last Friday 25 workers left Islington, and that was part of the planned voluntary redundancy program which has been in place and which was pre-announced last year by Australian National.

**The Hon. Caroline Schaefer:** Just a tenth!

**The Hon. DIANA LAIDLAW:** One-tenth. Perhaps he deliberately left off the nought. I'm not sure what he did.

**The Hon. Caroline Schaefer:** Or put it on.

**The Hon. DIANA LAIDLAW:** Yes, perhaps he deliberately put the nought on the end to try to highlight a better story. However he wished to present the story, he was told before he made the press release on the 10th that the story he wanted to run was not true—and he went ahead, anyway. I think the work force at Australian National deserves better representation than that. Certainly, this Government is working closely with Australian National, the private sector and the Federal Government to ensure that we get the best outcomes from the work force at Port Augusta, Islington and elsewhere in AN from a situation which we inherited and which was very bleak in terms of the decline of rail business and skilled jobs. I wanted to record my disappointment with the performance of Mr Clark at a time when the work force needs support and reinforcement—not to be so cruelly hit with false information when they know that information to be false.

### BOWKER STREET RESERVE

**The Hon. P. HOLLOWAY:** I seek leave to make a brief explanation before asking the Minister for Education and Children's Services a question concerning the Bowker Street reserve.

Leave granted.

**The Hon. P. HOLLOWAY:** Back in October and November 1995 I asked the Minister for Education and Children's Services a question concerning the future of the Bowker Street reserve, which was provided to the community by the then Minister for Education (Hon. Hugh Hudson) back in 1973 as playing fields. In reply to my question the Minister said:

It is likely in the near future that the department will declare it surplus to its requirements.

When I further asked the Minister, 'Given that Brighton council has contributed significantly to the costs of developing that land, will that cost be taken into consideration when the purchase price of that land by the community is considered?', the Minister said:

That matter will have to be taken up by the Minister for the Environment and Natural Resources. As Minister for Education and Children's Services, I do not handle the sale of Government property.

Earlier this year it was reported in the *Guardian Messenger* newspaper that the Education Minister had said:

Talk of discounts and handovers of the Bowker Street reserve is premature, and it is unlikely the land would be sold for less than full market value.

It was also reported that a report commissioned by the Government had recommended, back in November 1996, as follows:

- That State and local governments take whatever action necessary to retain the reserve as permanent recreational open space and a major venue for junior sport.

- That the State Government urgently hand the reserve over to the Holdfast Bay council.

- That the State Government finalise a compromise arrangement as soon as possible regarding the handover.

The local Liberal member for the area has said, 'I believe it would be perfectly reasonable for the land to be offered to the city of Holdfast Bay at less than market rate with any loss to be made up by direct subsidy from Treasury.'

*The Hon. Caroline Schaefer interjecting:*

**The Hon. P. HOLLOWAY:** I believe I was quoting from the press. It seems to have upset the local member.

**The Hon. A.J. Redford:** Which local member—there are three.

**The Hon. P. HOLLOWAY:** It is Wayne Matthew; it is in his electorate. In fact, there is only one local member: it happens to be in the electorate of Bright.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. P. HOLLOWAY:** My questions are:

1. Did the Minister declare the Bowker Street land surplus, as he indicated back in October 1995 that he would, and, if so, when?

2. Are the reports correct that the Minister is opposing the transfer of land to local government at a discount, contrary to his answer in 1995 that it was a matter for the Minister for the Environment?

3. Will the Minister say when the local community in the south-western suburbs of Adelaide will finally learn from the Government when this reserve will be saved?

**The Hon. R.I. LUCAS:** No, I have not declared it surplus. I indicated late in 1995 that it was my intention to do so in the near future. However, the then Premier and other Ministers, particularly the Minister for Recreation and Sport, wanted to look at opportunities in relation to not only Bowker Street but also a number of sites in the south-west. A statement was released by the Premier on behalf of the Government that the Government would commission a report into all those sites in the south-west, including Bowker Street, and that, whatever occurred, the education budget, our schools, students and teachers, would not be disadvantaged by education missing out on the potential value of a sale of this piece of property.

Thence, I have been perfectly relaxed because as a result of that commitment by the Premier, on behalf of the Government, at some stage when Government makes its decision the education budget will not be disadvantaged. It took some time to prepare a report on behalf of the Minister for Recreation and Sport. I do not believe that the comments leaked to the local Messenger press accurately reflect all the detail of that report, which is at least 50 pages long, and I do not think the selective quotes given to the *Guardian* or Messenger newspaper accurately reflect all the detail of some of the recommendations that related to Bowker Street.

My earlier statements remain, that is, that I am not involved in the process of selling any properties once they are declared surplus or in the negotiations that occur beforehand. I am consulted as the Minister, but the process is generally handled by the Department for Environment and Natural Resources. On this occasion, other agencies, such as the Department for Recreation and Sport, are involved. We are

being consulted along the way, but within the context that when a decision is taken by the Government, our budget, our schools, students and teachers will not be disadvantaged by any decision of the Government.

The process for the sale of Government properties requires that they be sold at Valuer-General's valuation or above. Any comments that I have made always reflect that situation—unlike the previous Labor Government, which did a few cosy deals with people to sell properties at below the Valuer-General's valuation.

*The Hon. P. Holloway interjecting:*

**The Hon. R.I. LUCAS:** Saving for the community: is that is how you describe it? Obviously, the Hon. Mr Holloway defends those actions. We might pursue that issue in the parliamentary session later this year, although he probably will not want to do so further down the track. The process is that, generally, a Valuer-General's valuation or higher is required. It is certainly not my position, as Minister for Education and Children's Services, to negotiate friendly little discounts with potential purchasers of property. By and large, that is handled by the Department of Environment and Natural Resources in consultation, perhaps, with officers from my department and, in this case, other agencies such as the Department for Recreation and Sport.

I would hope that this long debate might be concluded soon, but as long as the Department for Education and Children's Services, on behalf of the students and teachers, is not disadvantaged I am comfortable about the position of the department.

## CHARITIES

**The Hon. L.H. DAVIS:** I seek leave to make a brief explanation before asking the Attorney-General a question about charities.

Leave granted.

**The Hon. L.H. DAVIS:** Last month, Federal Coalition Senator David MacGibbon addressed a seminar on non-profit corporations at the Queensland University of Technology. His paper on charities received some publicity. Senator MacGibbon estimated that in 1993-94 the combined expenditure of charities in Australia was \$4.8 billion. Client fees were estimated to have been about \$1 billion in that same period. It is estimated that charities and not-for-profit organisations employ around 100 000 paid staff, and about 95 million hours of volunteer labour are contributed.

Senator MacGibbon said, however, in his interesting paper that millions of charity dollars were being wasted annually in Australia because of a lack of uniformity in the law. He said that there were larger charities (and he exemplified World Vision) which were forced to spend up to \$1 million extra every year in additional administrative costs because of inconsistent legislation. He said that lack of adequate legislation and the terrific variety of legislation between the States made some charities unaccountable. He also claimed that the lack of uniformity in legislation had led to some nefarious practices.

Senator MacGibbon told the conference there are many donors to charities and many who volunteer their services who believe that there has never been any real guidance or planning by Government to maximise the involvement of Australians in the practice of philanthropy and in serving community institutions. He made the point that charities are governed by legislation at three levels of government and, as

a result, there is no uniformity or consistency between the States and Territories as to how this sector is governed.

Senator MacGibbon said that there are over 70 Federal Acts which define or impose a definition of the concept of 'charity' in contexts as diverse as copyright, sex and race discrimination, and foreign takeovers, and in the States there are literally hundreds of Acts. Senator MacGibbon said that there is, for example, no requirement to publish a statement of intent as to how funds will be disbursed before seeking funds from the public. There are no agreed standards in relation to administrative expenses and overheads.

In some cases there is a lack of management skills and overheads are too high. In a few cases fraud has occurred. Apparently there is not even a requirement to register a charitable organisation before seeking funds; nor are any qualifications required for a person to raise funds. He made the point that, certainly, all States do have legislation to control fundraising. In his view, New South Wales has the most advanced legislation, although, on the other hand, Tasmania and Northern Territory apparently have no legislation to control fundraising.

The Senator concluded by saying that uniform legislation across Australia was desirable. He argued that legislation must ensure that organisations are fully accountable to the public for their activities; organisations, except for the very small, should be registered; registration should be a guarantee to the public of their *bone fides*; there should be an accurate public document which defines how funds are to be spent; there should be an upper limit on administrative costs; funds must be spent for the purpose for which they are raised; and there must be an independent audit of each organisation.

Is the Attorney-General aware of the very interesting paper delivered recently by Senator MacGibbon on the subject of charities and non-profit organisations, and does he have any views on the matters raised by Senator MacGibbon?

**The Hon. K.T. GRIFFIN:** South Australia has benefited over the years from philanthropy: the University of Adelaide, the Art Gallery (in more recent times particularly), and this building were partly financed by philanthropy of a well-known South Australian. Right across the State there are many examples of philanthropy at work. Section 78 of the Income Tax Assessment Act provides a mechanism for persons who make gifts to charitable organisations to gain some benefit from a tax perspective.

I do not agree with Senator MacGibbon's proposal that there ought to be uniform laws in Australia relating to collections. There is no evidence to suggest that there is any problem with the current disparity of laws between the various jurisdictions across Australia. In this State, we have the Collections for Charitable Purposes Act which has been the subject of some amendments in the last couple of years. In fact, under that legislation, there is licensing for commercial collectors and there is, as I recollect, a framework—a code of practice, in other words—with which those who collect for charitable purposes have to comply.

In other States I presume there might be a much more regulatory framework in which collections for charitable purposes may be handled. But there has been no evidence produced to the Government which suggests that we ought to place a very heavy regulatory burden upon those who collect for charitable purposes, whether it be the charities themselves or persons who collect on their behalf. Certainly, from time to time there are abuses which are brought to the public notice. Generally they relate to breaches of the Criminal Law Consolidation Act in the context of fraud and

misappropriation, but in those circumstances the offenders are generally brought to justice and appropriately dealt with. There is no basis upon which a bureaucratic regulatory framework would better protect the fundraisers and the charities that are the beneficiaries of fundraising from that sort of behaviour.

As I understand it, Senator MacGibbon also suggests that there ought to be some involvement of Government in relation to the publication of a statement of intent as to how the funds collected will be disbursed. I do not agree that that is necessary. After all, there is such diversity among charities that I do not think a mandatory requirement for a statement of intent or something like a mini prospectus would have much advantage. I do not think those who collect from door to door would welcome a prospectus, and when there is a door to door collector those who do give would not be studying the prospectus before they gave their \$2 or \$5. Even the big benefactors to bodies like the Art Gallery or hospitals would not be particularly concerned to look at a prospectus or something in the nature of a prospectus before determining whether or not to give. Many people have a close relationship with a charity or organisation to which they wish to make a donation.

Our Department of Treasury and Finance does not conduct checks on efficiency of service delivery. I do not think it is

the Government's role to do that either. With respect to the accounts of charities, there was, I think in 1995, an industry commission report on charitable organisations and, in consequence of that, the Commonwealth has asked the Accounting Standards Board to produce accounting standards for charitable organisations. That is probably as far as it can go. South Australia's experience with the Collections for Charitable Purposes Act is satisfactory. There are hiccups from time to time but not sufficient to require the enactment of heavily bureaucratic legislation which would stifle rather than enhance the capacity of charities to raise funds.

#### QUARANTINE PRACTICES

In reply to **Hon. R.R. ROBERTS** (13 November 1996).

**The Hon. K.T. GRIFFIN:** The Potato Bacterial Wilt outbreak on the property of Mr Sparnon at Loxton has been the subject of litigation between *Sparnon and Perre v Apand Pty Ltd and the Minister for Primary Industries*. In the Federal Court on 23 December 1996, Justice von Doussa handed down the findings of this case. \$51 200 damages was awarded to Mr Sparnon against Apand Pty Ltd. No damages were awarded to Mr Perre or against the Minister for Primary Industries.

##### 1. Inspections of Mr Sparnon's Property

Primary Industry inspections of the bacterial wilt outbreak on the property of Mr David Sparnon at Loxton have been consistently performed over the past five years. Following is detail of the dates of inspection and observations.

Date	Officer/s	Observations
24 June 1992	B Philp & M Heap	Inspection of outbreak and development of suitable control measures with Mr Sparnon
15 July 1992	R van Velsen	Letter to Mr Sparnon formally outlining the control strategy
13 August 1993	B Philp	A few regrowth potatoes were present. The recommended control strategy had not been used.
14 January 1994	R Fforde	No regrowth was observed.
19 July 1994	R Fforde	Regrowth plants observed but no signs of disease.
11 November 1994	R Fforde	Many healthy self sown potatoes. Further information provided on appropriate control measures.
23 November 1994	R Fforde	Mr Sparnon finally orders the recommended herbicide.
21 March 1995	R Fforde	Area had been worked and no regrowth potatoes were present
14 May 1996	R Fforde	Evidence of cultivation and no regrowth potatoes present
27 November 1996	R Fforde	Evidence of some small potato plants. Mr Sparnon asked to remove them.
11 December 1996	D Cartwright and R Fforde	Further discussions with Mr Sparnon about ongoing control measures. Some potato plants in the disease area. Significant potato regrowth elsewhere on the property.

##### 2. Why Regrowth Plants not Cleared on Sparnon Property

Regrowth potatoes at the Bacterial Wilt outbreak site were not controlled properly because Mr Sparnon failed to follow control measures recommended to him by PISA staff. It was not until November 1994 that Mr Sparnon purchased an appropriate herbicide for control of the potato plants, some 28 months after it was recommended.

In his summary of the legal proceedings between Sparnon and Perre v. Apand Pty Ltd and the Minister for Primary Industries, Justice von Doussa drew the following conclusions about the inspection procedures used by PISA on Mr Sparnon's property:

In my opinion the reference to follow up inspections in guideline number 7 was merely an offer of assistance and did not place the DPI under a duty to make six monthly inspections, the breach of which could be actionable. Significantly the Sparnon partnership, who were in regular contact with DPI inspectors in respect of other matters, did not request that the area be inspected, or seek advice. Moreover, when inspectors did attend and offer advice, the guidelines and the fresh advice were disregarded more often than not. It was for the Sparnon partnership, not the inspectors, to control and manage the bacterial wilt outbreak, and the Sparnon partnership did not do so appropriately. In my opinion the allegation of post wilt negligence is misconceived. If the failure to adopt better methods of control has

extended the restrictions on the import of potatoes into Western Australia, the fault does not lie with DPI.

##### 3. Certification of Loxton 20 km Zone

West Australian quarantine regulations require Bacterial Wilt outbreak sites to be kept free from potatoes and other solanaceous weeds or crops for a period of five years. Until such time as Mr Sparnon complies with this requirement, potato growers in the 20 km zone around his property will not be able to export to WA. PISA does not have any legislative power to force Mr Sparnon to control regrowth potatoes on the outbreak site.

#### DAIRY INDUSTRY

In reply to **Hon. R.R. ROBERTS** (4 February).

**The Hon. K.T. GRIFFIN:**

1. The farmgate price is set by the Dairy Authority of South Australia under the provisions of the Dairy Industry Act 1992. In arriving at a price, the Authority takes into account local industry conditions and also examines the farmgate price established in other States, particularly Victoria. In these circumstances, the Minister is confident that the farmgate price set for 1996-97 is appropriate.

2. The Minister for Primary Industries has met with several representatives of various sections of the South Australian dairy industry in recent months. Included in those discussions has been the



question of the possible participation by Murray Goulburn in the South Australian industry and the security of the present market milk equalisation scheme, The Minister has issued a statement to the Market Milk Equalisation Committee indicating the Government's strong support for the continued operation of a voluntary equalisation scheme in this State. There is no role for Government in negotiating new arrangements in the commercial sphere of the dairy industry; however, the Minister has indicated to the SAMMEC that he wished to be kept informed of developments and offer assistance wherever the Government might be able to assist.

3. The Minister is not intending to convene a meeting of principal players in the dairy industry in South Australia at this point. The Minister and officers of Primary Industries South Australia are keeping in close touch with the industry and the development and, should the need arise for the Government to intervene and assist the industry in the changes that are going on, it is ready to do so.

### JUVENILE JUSTICE STATISTICS

In reply to **Hon. R.D. LAWSON** (6 February).

**The Hon. K.T. GRIFFIN:** In his question about juvenile justice statistics contained in the 1995-96 Annual Report of the Juvenile Justice Advisory Committee, the honourable member noted the reduction in the number of informal cautions given by police. Since that time, I have made a ministerial statement to the Council indicating that the figures originally released were incorrect. In fact, there were 417 more informal cautions administered in that financial year than indicated. The report has now been corrected to reflect these changes.

The addition of these 417 cases brings the total number of informal cautions administered in 1995-96 to 4 215, which is still lower than the 4 927 informal cautions given in 1994-95. This represents a decrease of 14.5 per cent.

The number of formal cautions also declined over this period: from 3 300 in 1994-95 to 3 121 in 1995-96. This represents a decrease of 5.4 per cent.

In total then, the number of cases dealt with either by way of an informal or a formal caution diminished by 10.8 per cent—from 8 227 in 1994-95 to 7 336 in 1995-96. This meant that, whereas in 1994-95 police resolved 55.1 per cent of all matters brought to their attention, in 1995-96 they dealt with only 51.9 per cent.

In contrast, the number of matters being referred direct to the Youth Court increased, from 4 375 in 1994-95 to 4 786 in 1995-96. As a result, in 1994-95, the Court was required to process 29.3 per cent of cases brought to police notice, but in 1995-96 it dealt with 33.9 per cent.

While statistical comparison over a two year time period is too brief to give any accurate indication of longitudinal trends, the decline in cautioning and the increase in the proportion of cases being referred to court is of some concern, because it goes against the intentions underpinning the new legislation—namely to divert all but the most serious cases from the court system. It is also of concern that the number of matters being referred to a conference has declined even further.

The review of the Juvenile Justice System undertaken by the Office of Crime Statistics on behalf of the Advisory Committee expressed strong concerns about the failure of the system to achieve the anticipated split of 60 per cent to cautions, 30 per cent to conferences and 10 per cent to the Youth Court, and recommended as a matter of priority that further evaluation be undertaken to ascertain the reasons for this. Given the further decline in the number of cases being diverted from Court, this evaluation becomes even more crucial.

In response to the particular questions raised by the honourable member, I make the following responses:

1. I can give no explanation why the number of informal cautions being administered has gone down. Again, this is an issue which requires urgent investigation.

2. As indicated above, the number of formal cautions administered has gone down by 5.4 per cent.

3. The question of whether or not the undertakings included as part of a formal caution are effective is difficult to answer. The term 'effectiveness' can have a number of meanings: it may relate to the extent to which youths comply with the undertaking, or the impact on reoffending rates, or the degree to which the victim is satisfied with the outcome etc. These issues are very complex, and no evaluation has yet been undertaken to assess any of them. Again, this was an issue raised by the Juvenile Justice Review.

4. Information provided by the Department of Family and Community Services indicates that the average number of days each youth spent in custody in 1995-96 was 21.4, which was 31.3 per cent higher than the average of 16.3 days spent in custody per youth in 1994-95. No analysis has yet been undertaken to identify whether this is due to an increase in the length of detention orders or an increase in the length of remand orders or both. To ascertain this, more analysis would need to be undertaken in the first instance by the Department of Family and Community Services, which provided the data for this section of the report.

5. The response to this question is similar to the above. Intuitively, it seems that the courts may be placing more youths in detention for longer periods. But further analysis would be required to ascertain this.

One of the key recommendations of the recently conducted Review of the Juvenile Justice System was the need for an independent researcher to be appointed to undertake a wide ranging evaluation program to provide answers to key questions such as those raised above. I fully support this recommendation and am attempting to secure funding for such a position to ensure that in the future we will be able to explain the dynamics at work within the system and to assess in more detail the effectiveness of specific aspects such as police undertakings.

### SAMCOR

In reply to **Hon. R.R. ROBERTS** (13 February).

**The Hon. K.T. GRIFFIN:** There has been a variety of reviews of the meat processing industry in recent years and while it will maintain a watching brief on developments, it is not the State Government's intention to instigate another review.

As part of the sale process the Government required the purchaser, Aggro Australia Pty Ltd, to employ a minimum of 100 existing SAMCOR employees. The employees were to be offered employment on 'terms and conditions no less favourable than those governing the employee's employment on the settlement day'. Aggro offered employment on those conditions and settlement occurred.

Since settlement various negotiations and offers have been made by the workers, unions and Aggro in which the Government has not been involved.

The Government has gone to extreme lengths to achieve a sale of SAMCOR which provided an export service works for South Australian livestock producers and meat processors at the same time as providing jobs for the employees of the abattoir. It would have been simpler and cheaper to have closed down the operation. It would be totally inappropriate for the Government, having sold the abattoir, to now step in and try to control the actions of the new owners.

### ACCESS ECONOMICS

**The Hon. T. CROTHERS:** I seek leave to make a precied statement prior to directing a question to the Minister for Education and Children's Services, representing the Treasurer, on the subject of the Access Economics latest five year business outlook.

Leave granted.

**The Hon. T. CROTHERS:** Access Economics' latest five year business outlook report, amongst other things, opines that South Australia's importance to the national economy is slipping. It further predicts that our State's unemployment rate will hit 11.2 per cent by the year 2001. The report goes on to further predict that South Australia, Victoria and Tasmania will become 'rust belt States'. On the other hand, the report asserts that Queensland, Western Australia and the Northern Territory will become the 'sun belt States'.

This report is substantiated in part by the statement issued by the South Australian Employers Chamber of Commerce and Industry, which body said that the Access Economics report contains some 'reasonably accurate assumptions' on South Australia's place in the national economy. Both the Access Economics report and the statement by the South Australian Employers Chamber would appear at first blush

to be at variance with the reports issued from time to time by the current State Government's periodic reports on the health of this State's economy.

My question, therefore, is as follows: can the Minister offer up any explanation as to why the disparity should exist between, on the one hand, Access Economics and the South Australian Chamber, and on the other hand the State Government's periodic reports on the health of the South Australian economy?

**The Hon. R.I. LUCAS:** I will take the honourable member's question on notice, seek advice and bring back a reply as soon as I can.

### HINDMARSH ISLAND

**The Hon. M.J. ELLIOTT:** I seek leave to make a brief explanation before asking the Minister for Education and Children's Services, representing the Minister for Housing and Urban Development, a question in relation to Hindmarsh Island.

Leave granted.

**The Hon. M.J. ELLIOTT:** My question is not directed towards the actual construction of a bridge itself, nor to the construction of the Binalong development, but it is directed towards what other development might occur on Hindmarsh Island. Before the construction of Hindmarsh Island bridge was stopped, several developers were proposing major developments on Hindmarsh Island as well as the Binalong development which already had planning approval. My understanding is those developments would have involved at least two more marinas and certainly a great deal more residential construction as well.

The waters surrounding Hindmarsh Island are subject to Ramsar convention and agreement which provides a framework for inter-governmental cooperation for protection and sustainable use of wetlands. I note that there are expectations of contracting parties, and I will draw the attention of the Minister to two of those: first, nominating specific sites to the list of wetlands of international significance which will then be continually monitored to ensure they retain their special ecological characteristics, and promoting the wise use of all wetlands within their territory. I note that, when a parliamentary standing committee was investigating the question of the construction of the Hindmarsh Island bridge, it received evidence that the Chief Wildlife Officer of the Department of National Parks and Wildlife had not been consulted in terms of wildlife implications in this area, which is subject to a Ramsar agreement.

I understand also that the Federal Government was not notified at the time and it has obligations in relation to the Ramsar agreement. I further understand that these same waters are also subject to international agreements with both China and Japan in relation to migratory birds. I understand that this area and the Coongie Lakes in the north of the State are probably the two most important wetlands and both subject to a large number of international agreements. The concern among conservation groups now is that, with the possibility that the bridge may now be built, a number of development proposals that have been on the drawing board for Hindmarsh Island may now proceed and they will have significant implications. I am being told that bird life in this area is already in decline, which in itself is causing concern. I ask the Minister whether or not the Minister for Housing and Urban Development would be prepared to use his powers under the Development Act to ensure that no

planning approvals are given for substantial development beyond that of the Binalong development until such time as a full and proper study has been carried out in relation to the potential impact of such developments on these wetlands subject to international treaties.

**The Hon. R.I. LUCAS:** I will refer the honourable member's question to the Minister and bring back a reply.

### REPRODUCTIVE TECHNOLOGY

**The Hon. R.D. LAWSON:** I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for Health, a question about reproductive technology tests for parents.

Leave granted.

**The Hon. R.D. LAWSON:** In February there was a controversy about certain provisions of the regulations made under the Reproductive Technology Act. The *Advertiser* published on the front page, under the heading, 'Character test to be a parent', the following:

Infertile couples will only be allowed to have babies in South Australia if they are of good character and do not have criminal records.

The lead editorial on the same day was headed, 'Big brother in the bedroom'. The editorialist wrote:

The authoritarian streak or mania which characterises all Australian Governments strikes again. This time the unlikely targets are infertile couples. The State has found another way of policing the bedroom. Big brother Government has managed to intrude the thin edge of a mighty fat wedge into the most intimate aspects of the lives of private citizens. The suggestions that such couples should be required to furnish statutory declarations about their character, in effect their suitability as parents, is an absolute outrage.

The editorialist concluded in a blather of rage:

It is not at all far-fetched to suggest that armed with this blunt instrument the State could well require such declarations, such vetting of young women seeking the contraceptive pill: are you a fit and proper person to engage in intimacy with another person; indeed is he or she fit and proper?

In fact regulation 11 of the reproductive technology code of ethical practice regulations of 1995, introduced in October of 1995, provides that applicants for treatment are required to swear a declaration that neither has been found guilty, whether in this State or elsewhere, of a sexual offence involving a child or an offence involving violence and also that neither spouse is at the time of signing the declaration the subject of outstanding charges in respect of which imprisonment might be imposed. My questions to the Minister are:

1. Does the Minister consider that these regulations require amendment? If so, does he propose to introduce amendments?

2. Does he agree with the criticism levelled by the *Advertiser* about the regulations?

**The Hon. DIANA LAIDLAW:** I will refer the honourable member's question to the Minister and bring back a reply.

### STATE LIBRARY

**The Hon. ANNE LEVY:** I seek leave to make a brief explanation before asking the Minister for the Arts a question about the public library and the capital city project.

Leave granted.

**The Hon. ANNE LEVY:** The pie-in-the-sky project announced to cloak the closing of John Martin's, according to the *Advertiser*, is to have on its fourth storey a public library. I understand that the Director of the State Library knows nothing at all about this proposal and the city council

likewise has not in any way been consulted. A public library suggests that it will be a library under the auspices of a local council, which would be the City of Adelaide. As I understand it, the City of Adelaide lending library on Kintore Avenue does not intend to move from its present location and, if it did, it would want a larger space than it currently has and certainly not a smaller one as proposed in the capital city pie-in-the-sky project.

**The Hon. A.J. Redford:** You are against it, are you?

**The Hon. ANNE LEVY:** Mr President, could I ask my question without this interminable noise coming from the middle of the backbench?

**The PRESIDENT:** Order!

**The Hon. ANNE LEVY:** Has the Minister been consulted about the purported public library as part of the capital city project? Is it intended to be under the auspices of the State Library or under the public libraries system, which involves State and local governments, and does she feel that an extra public library of the type which exists in this State would be a feasible proposition half way up the pie in the sky?

**The PRESIDENT:** Order! Before that question is answered, I point out that the honourable member has asked for my protection when she, as a former President, should know that opinion is not required in a question.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. Anne Levy:** I stated facts.

**The PRESIDENT:** The honourable member then abused the time. You were given two more minutes. I have been very generous with you in the past—you have had over three minutes. In future I ask that you restrict your questions to the time limit.

**The Hon. DIANA LAIDLAW:** The honourable member deliberately used up all the time and in so doing flouted our conventions and your goodwill, Sir. 'Pie in the sky'—they knock everything. They got little going in this State and certainly did not encourage private enterprise.

*The Hon. A.J. Redford interjecting:*

**The PRESIDENT:** Order! I observe that if the Hon. Angus Redford read his book instead of interjecting we would get through questions a lot more quickly.

**The Hon. DIANA LAIDLAW:** He is not reading a book: I am pleased that he is reading the Sixteenth Annual Report of the History Trust of South Australia. The Hon. Mr Redford is very interested in the arts and I hope that the former Minister, Hon. Anne Levy, is interested, too. We have an interest in this city and in private sector funding so that not all capital development needs to be pushed from State Government sources, which is what has happened over recent years, as we have sought to build up the spirit and structure of the City of Adelaide after years of decline under Labor. The proposal has been developed by David Jones and is simply a proposal that they have put forward for discussion in terms of filling various spaces within their project and I understand that the Premier, with the Minister for Housing and Urban Development, will get a small group together to look at this proposal in some detail. I have no doubt that at that time there will be some discussion about the library proposal—

**The Hon. Anne Levy:** With the State Library?

**The Hon. DIANA LAIDLAW:** Why not? It is simply suggesting Art Gallery or library space.

*The Hon. Anne Levy interjecting:*

**The Hon. DIANA LAIDLAW:** Yes, but it does not matter about the exact words because they were looking for

art space and cultural activities and they were putting forward a few ideas. It is as broad as that; it was met with goodwill; I do not think there is anything sinister, suspicious or concerning about it. They want their building to be part of the cultural precinct, the cultural boulevard and have just put forward ideas about several proposals. Certainly, many of them have not been explored with me or other operators, but they can be looked at in general terms when this new group is established.

---

## ALICE SPRINGS TO DARWIN RAILWAY BILL

Adjourned debate on second reading.

(Continued from 5 March. Page 1121.)

**The Hon. T.G. CAMERON:** In the final years of the twentieth century and before the centenary of Australia's Federation, our nation and our decision makers confront critical decisions about the future. The five years leading up to the Centenary of the Australian Federation are not just an opportunity to review the nation's past achievements. They provide the opportunity to position Australia for the next century. A project of national significance such as the Darwin to Alice Springs rail link will signal to our neighbours that Australia in the new millennium is committed to a dynamic presence in Asia. This major project should be regarded as an investment, whose costs are outweighed by its benefits over the longer term. The Darwin to Alice rail link has been an important matter of Australian debate over the last century.

Eighty-six years ago the Commonwealth committed itself to the construction of the line. The case for and against the railway has been debated repeatedly ever since. It has been the subject of many reports, most recently the report of the bipartisan Committee on Darwin, chaired by Neville Wran, former Premier of New South Wales. The South Australian Labor Opposition believes, like the Government, that the time for the Darwin to Alice rail link has come. Quite simply, the rail link is of national and strategic importance to the future of Australia and for building a bridge head into Asia. However, the proposal for the Darwin to Alice Springs rail link must stand on its merits. The South Australian Labor Opposition is confident that the rail link proposal can withstand close scrutiny and that its costs will be outweighed by the benefits it generates.

The Committee on Darwin assessed the cost of the rail link as being \$1 035 million in 1995 dollars. The committee argued that the private sector, on anticipated rates of return, could be expected to invest up to \$247 million of that total. The remaining \$788 million would need to be met by Australian Governments. The Northern Territory and the South Australian Governments have each committed \$100 million to the project. I have stated that there is a commitment of \$100 million, but the second reading speech from another place states:

Clause 6 of the Bill sets out the State's financial commitment to the project and places a limit on the State's expenditure of \$100 million in 1996 terms by way of capital grants. The Northern Territory Government will also contribute up to \$100 million in 1995 dollars. . .

I seek clarification from the Government because, if the Northern Territory Government is committing \$100 million in 1995 dollars and we are committing \$100 million in 1996 dollars, it seems that we are committing less than the

Northern Territory Government. Are we matching the Northern Territory Government? Is the \$100 million that we are committing in 1995 dollars and not 1996 dollars?

The South Australian Opposition believes that serious and urgent consideration should be given by the Howard Government to extending sufficient funding support to enable work to be completed on the Darwin to Alice Springs rail link by the year 2000, the centenary of the Australian Federation. There are a number of compelling reasons for the case for the line. First, expansion of Asian involvement in Australian markets is inevitable. Australia can and must plan the expansion of its involvement in Asian markets to benefit from Asian growth. We must be prepared to invest in order to reap the benefits of the whirlwind economic growth of our Asian neighbours to our north and for South Australia.

The Darwin to Alice rail link project would provide immense support to the positioning of Australia for Asian growth by extending important practical support and infrastructure for the improvement of our export competitiveness. By providing an efficient corridor for our exporters to Asia, the railway would improve the competitiveness of our existing exporters and facilitate new activities in areas which, until recently, were not considered cost competitive. Our reliance on foreign owned shipping services is a costly component of our current account imbalance. The Alice to Darwin rail line would reduce these costs to the national economy and, as the project would involve very high levels of Australian content, it would also have a very high multiplier effect domestically.

Secondly, the Darwin to Alice Springs railway link would develop jobs for some of the people who need them most, the people of South Australia and, in particular, those of the Upper Spencer Gulf. The construction phase would lead to the creation of 2 000 jobs and approximately half would be in South Australia. No-one here needs to be reminded that South Australians and the people of the Upper Spencer Gulf cities need jobs as never before. Currently, the unemployment figures for Port Augusta stand at 11.3 per cent, Whyalla at 10.8 per cent and Port Pirie at 13.4 per cent. Of course, youth unemployment is much worse, at a rate for those three cities of 39.2 per cent. Those figures were supplied by DEET in Canberra.

To make matters even worse, the Federal Government is currently considering implementing the recommendations contained in the Brew report, which could be a further disaster for Port Augusta. The South Australian Centre for Economic Studies recently prepared a draft report for the City of Port Augusta which painted a bleak picture for the city if the Brew report were implemented. It estimated the closure of Port Augusta's national operation could cost 872 jobs long term and more than \$63 million in lost income. The report says that up to 14 per cent of the total jobs in that city could be at risk. This follows a significant decline in local job opportunities over the past few years which has already had serious implications for the city's economy.

Thirdly, the rail link would contribute significantly to the protection of the environment by reducing reliance on road vehicles, conserving our scarce fuel resources whilst reducing greenhouse gas emissions. The project would lower the cost of maintenance of the Sturt and Barkly Highways caused by road freight vehicles. Further, by reducing our reliance on an ageing stock of freight ships we reduce the danger of environmental disaster along our coastline. Finally, the rail link would provide a major boost to tourism by offering access by Australian and overseas tourists to a journey from

the north to the south of the continent. It would offer tourists one of the great train journeys of the world.

In conclusion, there is bipartisan support in South Australia and the Northern Territory for the Darwin to Alice Springs rail link. The South Australian Labor Opposition believes, however, that it is vital to plan now for the objective of completing the rail link in time for the centenary of Australia's Federation in 2001. The Darwin to Alice Springs rail link is of the greatest importance not only to South Australia and the Northern Territory but to the entire continent. In both practical and symbolic terms, the Darwin to Alice Springs rail link can help to position Australia for its future in the new century as an innovative trading economy growing with the dynamic industrial nations of Asia, but its development as a major national project to mark the centenary of our Federation will require national resolve now. The Opposition supports the second reading.

**The Hon. CAROLINE SCHAEFER:** I rise to support this Bill. I have spoken previously on the fact that it is my belief that the north-south rail link should be completed as soon as possible, and I again want to put my opinion on the record. In November 1996, the former Premier and the Northern Territory Chief Minister signed an inter-governmental agreement which agreed in principle with the completion of this rail link. Indeed, in 1996 the Northern Territory passed the Australasia Railway Corporation Bill to provide for the establishment of such a railway. This Bill complements that Bill, and it commits our Government equally with the Northern Territory to the proceeding of the rail link project. As the Hon. Terry Cameron said, both the Northern Territory Government and the South Australian Government have committed \$100 million—I thought in 1995 dollars, but I may well be corrected.

*The Hon. T.G. Cameron interjecting:*

**The Hon. CAROLINE SCHAEFER:** Yes. A further \$800 million is required from either the Commonwealth or the private sector to complete the rail link, bringing the total to \$1 billion. However, it is estimated that, following its completion, the rail link could inject \$1 billion per annum into the economy of South Australia and the Northern Territory. The building of the rail link would provide an enormous boost for the economy of this State and the Northern Territory.

The construction phase would employ 2 000 people over four years, and it is estimated that 200 people would be required to operate and maintain the rail link on a permanent basis. Some of the figures relating to the construction are of interest. Earthworks would total 17 million cubic metres, and the construction of 120 new bridges and 1 220 culverts would be required as well as buildings and workshops costing \$26 million. Approximately 3 500 tonnes of structural steel would be used and 100 000 cubic metres of reinforced concrete. It would also require 155 000 tonnes of steel rails and, on a lesser scale, 9.2 million spring steel fasteners, 2.3 million sleepers, 15 kilometres of concrete culvert pipe, and 2 million cubic metres of ballast.

The construction phase, in itself, would cement the economy and future of townships such as Port Augusta and Whyalla, and I believe that it would go a long way towards making South Australia the central freight region for both the east and west of Australia. Environmentally, it is estimated that the railway would stop the emission of 100 000 tonnes of carbon dioxide per annum and save 2 000 million litres of fuel over 50 years. Economically to this stage, expressions

of interest have been received to transport 280 000 tonnes of freight between Japan and Australia; Daewoo has confirmed that it expects at least 200 000 tonnes of freight to travel between Korea and Australia; and, if we look at the fact that the Mount Isa Mines are no longer collecting gas from the eastern seaboard but from their own fields in south-west Queensland, it would be economical for Mount Isa to build a spur line and use the north-south rail link.

It is estimated that this project would save 15 days on the transport of eastern seaboard freight to Asia. I expect that therein lies one of the difficulties: there are more people in the Eastern States and on the eastern seaboard than there are in South Australia and the Northern Territory combined, and I feel that those people in the Eastern States will do all they can for as long as they can to block the completion of this project for obvious economic reasons. However, if we take into account the enormous economic boost that this rail link would provide for the whole of Australia, I believe that their views are somewhat selfish at this time.

Regarding the commitment of the Commonwealth Government, I refer to some comments by the Hon. John Sharp (Minister for Transport) and the Hon. Peter Costello (Treasurer). The Hon. Peter Costello has stated:

Taxation incentives for investment in rail facilities are available to investors in eligible projects through infrastructure borrowings. He has stated further:

The Commonwealth Government will accept the decisions of the DAA as to the eligibility of the Darwin to Alice Springs rail link for infrastructure borrowings. . .

It is, therefore, very disappointing that infrastructure bonds were not offered when many of us expected they would be. The Hon. John Sharp has promised to 'provide the existing Tarcoola-Alice Springs line free to a private developer' and he has stated that the '... survey of the proposed track between Alice Springs and Darwin will be completed.'

I could provide other quotes from those Ministers and I could go on speaking for some time, but I think it has all been said. This Bill is but one step along the way towards completing this tortuous and arduous task. It has been talked about for 80 years, and there are times when it does not look as though we are much closer. However, this Government, our State Opposition and the Northern Territory Government are passionately committed to this project. Everywhere we go at present we hear about the great opportunities for export, particularly of primary and fresh produce, to South-East Asia. One of the mitigating factors always seems to be the lack of quick and efficient freight to that area. I believe that this train, which would travel non-stop and which would have the capacity to travel at 130 km/h all the way to the new deep sea port in Darwin, would bring South Australian and Australian freight into the twenty-first century and give us a competitive edge which we currently lack. I support the Bill.

**The Hon. DIANA LAIDLAW (Minister for Transport):** I, too, support the Bill. I have been very involved in this matter for a number of years. It has been my privilege to chair the Alice Springs-Darwin Task Force of South Australian Government Ministers and officers for the past two years in respect of this project. Earlier, I was involved in securing the support of my Party for a commitment made at the last election that this Government would, if elected, invest \$100 million in this project. This commitment was made on behalf of the Party on 8 December 1993 by the then Liberal leader, Dean Brown, and the pledge was \$100 million over five years towards the construction of the railway, beginning in 1995-96. We noted that that commitment matched a similar

undertaking from the Northern Territory Government. We did so because we believed strongly in the value of the project in terms of the economy and creating extra jobs, both in the construction period and in the longer term.

I am pleased that we have been able to honour a policy commitment involving such big dollars in terms of an agreement late last year signed by the then Premier (Hon. Dean Brown) and the Chief Minister, Mr Shane Stone. The Bill before us today really establishes the terms of that agreement in legislation. The agreement also contemplates—

**The ACTING PRESIDENT (Hon. T. Crothers):** Minister, you are not winding up the debate at this stage?

**The Hon. DIANA LAIDLAW:** No.

**The Hon. Caroline Schaefer:** She is not handling it.

**The Hon. DIANA LAIDLAW:** I feel that I should be handling it, but we have an odd system where the Premier is represented by others in this place, even though I have done most of the work on it over many years.

*An honourable member interjecting:*

**The Hon. DIANA LAIDLAW:** No, amicable. However, as the Minister for Transport, I recognise that you do most of the work and others make the announcements, and I have learnt to deal with that with good grace.

**The Hon. K.T. Griffin:** And, from the legal point of view, I do all the work for everyone and I take the credit for it.

**The Hon. DIANA LAIDLAW:** Yes, that is right. So, we have learnt to work with that. However, I just thought I would place on the record that I did a lot of work to ensure that we got the \$100 million as a policy commitment and the leader announced it. I did the work on the task force and others signed the agreements. Indeed, one does work on a Bill and others take it in this place. Although I accept that position, it is nice to place it on the record.

**The Hon. T.G. Cameron:** We will all say 'Thank you' when we get it.

**The Hon. DIANA LAIDLAW:** Well, there is a lot more work to do to get it, as the Hon. Caroline Schaefer and the Hon. Terry Cameron have mentioned. However, this is an important contribution to a project that has been long outstanding in this State and the nation.

It may be worthwhile for anyone who is particularly interested in the history of the Transcontinental Railway to read a supporting statement that I made to a motion on 28 April 1993, when I called on this Council in turn to call on the Commonwealth, first, to comply with the obligations under the terms of the Northern Territory Acceptance Act 1910 to construct or cause to be constructed the section of the Transcontinental Railway between Alice Springs and Darwin; and, secondly, to commence forthwith the survey of the remaining 300 kilometres of the line from Alice Springs to Darwin that was not completed by Australian National in the early 1980s.

I conducted much research and read the debates in this place in 1872, 1890, 1910, 1945, 1975 and later. I believe it is important to recognise not only the economic, environmental, social and cultural value of this line but also the historical importance of this project, and particularly the vision of South Australians back in the 1870s, when the railway line from Port Augusta to Port Darwin was promoted, and the excitement in this place of men of vision and some fortune who, because of the telegraph line through Alice Springs up to Darwin, were also extraordinarily keen to promote by private means the railway line from South Australia.

It was South Australia's effort alone that got the line to Oodnadatta and from Alice Springs south to Pine Creek—and that is when South Australia had a population of 160 000 people. So, they built the overland telegraph and they started the railway. And they not only started the railway to Oodnadatta and established it there, but they also built the schools, hospitals and all the other community facilities for the townships along the way. It was a mighty effort, which we should acknowledge today in this place when looking at this Bill.

It is when one looks at that vision and commitment of the people of South Australia at that time to head north, knowing that that is where their future was, that one wishes to express disappointment, and almost shame, at the way in which the Federal Government over subsequent years has let down South Australians and the Northern Territorians. As part of Federation, the Federal Government decided that northern South Australia should become a Territory of the Commonwealth, and South Australia at that time agreed to cede northern South Australia to the Commonwealth on a legislative undertaking in this place and in the Commonwealth Parliament that it would construct, or cause to be constructed, a railway from Port Darwin southwards to a point on the northern boundary of South Australia proper—that site being Port Augusta.

That debate and the outstanding commitments from the Commonwealth are extraordinarily important at this time, when we again discuss the future of rail in this State and indeed the future of Port Augusta. This Government is very keen to see the promotion of the Alice Springs to Darwin railway as a project that we seek to tie into investment in Australian National. We may not be able to secure that, but in all discussions that I have had with any private sector operator who may have an interest in investment in rail in this State I have let them know of this Government's strongest commitment to the Alice Springs to Darwin railway, the operations of that railway and rail jobs and workshop jobs in Port Augusta as well as at Islington and other places. I believe the two link well together and should be pursued as positively as possible together.

The Hon. Caroline Schaefer referred to the Federal Treasurer and transport bonds. Subsequent to the statement that the Hon. Caroline Schaefer mentioned, the Treasurer put out a release on 14 February indicating that the Federal Government would not be continuing with infrastructure borrowings and taxation concessions in terms of these issues. However, he did indicate:

In the budget context, the Government will consider a number of alternative arrangements for continuing our support for genuine infrastructure investment whilst eliminating abuse.

It is that statement which this Government, with the Northern Territory Government, is working to explore at present with the encouragement of the Treasurer and the Prime Minister, because we believe very strongly that the Alice Springs to Darwin railway classifies as a genuine infrastructure investment and not one about which the Federal Government need be concerned in terms of abuse that it is seeking to eliminate with respect to past infrastructure borrowing practices.

I wish to acknowledge that, in terms of the route for the railway—a length of 1 410 kilometres—the Northern Territory Government is responsible for the purchase of land north of Alice Springs to Darwin. The advice I received today is that 64 per cent of that corridor has now been acquired. Last November negotiations were entered into with various land councils in the Northern Territory in terms of access

rights, and a further 20 per cent of land is under negotiation and has access arrangements. Indeed, an additional 16 per cent is expected to be acquired by the end of this month.

So that initiative, in terms of land purchase, free of native title claim, and the like, is extraordinarily important as we go out into the private sector market to seek the private sector dollars which are required for investment in this project. Investors want to know that the land is secure, and now both Governments will be able to confirm to potential investors and managers of projects that the land is secure and free from encumbrances, and we understand that we will be able to give such undertakings by the end of this year (1997).

In the meantime, the Chief Minister for the Northern Territory, our Premier, the Hon. John Olsen, and the Prime Minister will have continuing discussions. I also recognise the bipartisan support for this project which has been extended by the Labor Party in this State. What we want now is tripartisan support from the Northern Territory Government, the South Australian Government and the Commonwealth Government. If there is an ounce of decency left in political life and respect from Commonwealth to State Governments, especially as we come up to the celebration of the new century, the centenary of Federation and the centenary of the ceding of the Northern Territory to the Commonwealth, it is at these times that we should be looking at the completion of this extraordinarily important transport link to the north.

There have been many discussions about the impact of the railway line on the port of Adelaide. I have no doubt, from all the discussions I have held, that the recent changes and reforms to the port of Adelaide with its more commercial structure arrangements, mode of work, new services that have been attracted and the investments made by companies in servicing Adelaide and other ports, that there is no basis for fear that this railway will see the closure or loss of business from important port operations. I think that they will complement each other and will address very different parts of the freight business to and from this State.

It is with great pleasure that I participate in this debate today, because it is one further step towards the start of work on the Alice Springs to Darwin railway line and the completion of the Transcontinental railway, which members in this place, well over 120 years ago, debated with such vision and enthusiasm. It would be good to see that vision and enthusiasm being recaptured today and that line constructed and operating early in the next century.

**The Hon. L.H. DAVIS:** I join my colleagues in support of this Bill, which is one further step in the 113 year battle to achieve a rail link from Adelaide right through to the port of Darwin. In the *Bulletin* of August 1894 there was the following comment:

The latest scheme is a land grant railway connecting Port Darwin with Adelaide—length of line, 1 100 miles; estimated area to be granted to the grabbers, 88 million acres or a fourth of the entire Territory. The South Australian Assembly will no doubt emphatically reject the proposal, despite the tempting bait of the expenditure of £9 million or £10 million of foreign capital on the line.

That underlines how long this line has been in coming. In 1910 the Federal Government promised to build the line between Alice Springs and Darwin in return for South Australia's ceding its rights to the Northern Territory. In 1929 the Adelaide to Alice Springs link was connected by rail, although the line went no further. In 1983, Mr Malcolm Fraser's Government announced that the rail link would be

finished by 1988 as a bicentennial project. In 1997 we are talking about it as a project for the next century.

I should forthwith declare two interests in this matter. First, many years ago I was a conductor on the *Ghan*, which ran from Port Augusta to Alice Springs. Built largely on sand, it took 48 hours to traverse that distance. It was said—and it was true because I saw it myself—that the train in many sections travelled so slowly that you could sit down and watch a fly going in the same direction fly past the train. It averaged 16 miles an hour over much of that distance, and the line was regularly washed away with the floods that were not uncommon in the region.

The line, as members know, was completely rerouted and, as a result, the travelling time between Adelaide and Alice Springs was halved from 48 hours to 24 hours. I also have an interest in the sense that I hold shares which may or may not receive a direct or indirect benefit from any construction of this rail link between Darwin and Alice Springs.

There has been much media speculation about this proposal. The central focus for the success of the rail link ultimately will rest with the Federal Government. In 1983 the Hawke Labor Government made a very generous offer to the Northern Territory Government, which regrettably turned down what was an election promise of Bob Hawke to fund 60 per cent of the cost if the Northern Territory and private investors found the balance.

That did not happen and I suspect, with the benefit of hindsight, people may regret that opportunity was not taken advantage of at the time. Since then, there has been much constructive debate and bipartisan agreement between the three political Parties in South Australia, with the Federal Government ultimately holding the key which will unlock this project for the benefit of South Australia, the Northern Territory and, in my view, all Australia.

Late last year, the Northern Territory and South Australian Governments passed the AustralAsia Railways Corporation Act which will hold title to the corridor which will run from Alice Springs through to Darwin. The corporation will be responsible for the construction and operation of this historic rail link. I understand that successful negotiations have been taking place with pastoral leaseholders, Aboriginal communities and other interested parties along this 1 400 kilometre route which is, in some cases, of archaeological, heritage and cultural significance.

It is important to recognise that this Bill complements the AustralAsia Railway Corporation Act. In other words, we have put a legislative mechanism in place which has already created a corporation to manage the construction of this proposed railway line. This Bill ratifies the agreement between the Northern Territory and South Australian Governments, and gives the Minister in South Australia the power to enter into agreements with the Northern Territory Government and other parties to allow railway construction to proceed between Alice Springs and Darwin.

The Northern Territory Government has agreed to contribute \$100 million to the project and, under clause 5 of this Bill, the South Australian Government has committed itself to spend \$100 million (in 1996 dollars) to facilitate the project. The Federal Government will have a need to make an investment, unless there are new factors at work of which I am not aware. Generally, it is conceded that an investment of between \$100 million and \$150 million by the Federal Government may be sufficient (rather than the previously suggested amount of \$300 million) provided adequate tax breaks are in place. One of the necessary inducements to

attract private sector investment and support for this project will be tax breaks and tax advantages for investment in this project. The infrastructure bond scheme, which was an initiative of the Federal Government, has been so successful that it has now been frozen and withdrawn. That avenue of opportunity to attract private investment support for the project is no longer available, although it may be possible that a one-off acceptance of something similar in nature to this may be forthcoming from the Federal Government.

The Northern Territory has recently produced a very valuable summary of what is called the AustralAsia Railway Project. It is a very appropriate name for the project because it does build a bridge to Asia. It has significant economic benefits to South Australia, the Northern Territory and the whole of Australia. The Northern Territory and South Australian Governments have argued—and with conviction—that the project is economically viable with a benefit cost ratio of 1.27 for the base case. The project is also financially viable with an internal rate of return after tax of 20.6 per cent, assuming that the Northern Territory and South Australian Governments provide capital grants of \$100 million each. Those figures are conditional on the Northern Territory completing its new \$80 million deep water port at Darwin in 1997—one of the great deep sea ports of the world.

As I have mentioned, secure land title to the railway corridor, hopefully, will be in place by the end of this year. The survey of the preferred route will also be completed in 1997 at a cost of \$25 million. The Commonwealth Government has built half the project with the re-routed upgraded Tarcoola-Alice Springs rail link being completed in 1980 (17 years ago) at a cost of \$414 million (in 1996 dollars), which gives some credence to the view that this proposed link from Alice Springs through to Darwin will cost approximately \$1 billion (in 1996 dollars). It should be stressed the Commonwealth Government has agreed to transfer the Alice Springs to Tarcoola rail link to the consortium which builds, owns and operates the Alice Springs to Darwin railway.

The length of the project is 1 410 kilometres. BHP Engineering has estimated that construction will cost \$1.008 billion, with design and construction taking place over four years assuming a starting date of 1998. When completed, this project will mean that for the first time in our history all mainland capital cities of Australia will be linked by rail.

What are the benefits of the Adelaide to Darwin rail link? First, it will provide transport infrastructure to the Northern Territory on a commercially viable basis. It will provide a competitive and alternative means for trading with Asia. It will deliver dramatically lower transport times into Asia. It will increase competition in the provision of supplies to important areas, ranging from the north-west in the Kimberleys to the north-east in the Carpentaria region. It will reduce road costs and national highway maintenance costs. Importantly, it will conserve energy with a shift from road to rail saving 40 million litres of a fuel a year over a 50 year appraisal period. It will create 2 000 jobs during construction and 200 permanent jobs when the rail link is in operation. It will create jobs in remote communities with a special emphasis on the opportunities which will exist in Aboriginal communities. It will reduce injuries and deaths as a result of motor vehicle accidents which, in the Northern Territory, are higher than the national average on a *per capita* basis. From an environmental point of view, it will have important advantages, in that it will cut back carbon dioxide emissions dramatically, by an estimated 100 000 tonnes annually, as transport shifts from road to rail. It also has important defence

implications in that it will enable Australia to mobilise its defence forces in the north.

*The Hon. T.G. Cameron interjecting:*

**The Hon. L.H. DAVIS:** It will also assist our near neighbours in an emergency. When talking about defence, the Hon. Terry Cameron has reminded me of the importance of defence. When Douglas MacArthur left the Philippines, he came down to Adelaide on the rail from Alice Springs, and stopped at what was then the great historic railway town of Terowie, which sadly now is little more than a ghost town. It was at Terowie that Douglas MacArthur uttered his famous words 'I shall return.' With Australia's great ability to not recognise the importance of history, we have destroyed the Terowie railway station. We have shredded any sort of historic memorabilia associated with that important event which I would suspect today would be revered by Americans who would love to visit a place which was made so famous by those words uttered by General Douglas MacArthur.

**The Hon. T.G. Cameron:** And the Philippines.

**The Hon. L.H. DAVIS:** And the Philippines, indeed, because he did return. But that is a side issue. The commitment of the three Governments to the project will be critical. We know that the South Australian and Northern Territory Governments have both committed \$100 million. The Commonwealth Government to date has spent \$24 million in 1996 dollars in funding the survey of the route for the Alice Springs to Darwin rail link in the period 1980 through to 1996. As I have already mentioned, obviously there will be the need for taxation incentives for private investors in rail facilities, and as I have mentioned also, the Commonwealth Government has committed to ceding the Tarcoola to Alice Springs line at no cost to any private developer who builds, owns and operates the new line from Alice Springs to Darwin.

The legislative framework is now in place. We have the intergovernmental agreement signed in November 1996 with both the Northern Territory and South Australian Governments passing the AustralAsia Railway Corporation Acts. Of course, the Alice Springs to Darwin Railway Bill, which we are debating today, is an important part of the project.

We also have the capital viability of the project which, as I have said, has been demonstrated. One of the aspects which perhaps is not properly appreciated is that an enormous amount of work has been done by Governments to minimise the considerable risks associated with such a major project. The survey of the route has been completed. The archaeological and heritage studies have been completed. Work on sacred sites has been completed. An environmental impact statement has been completed. A total of 80 per cent of the corridor land will have been acquired by the end of March this year. The remaining 20 per cent, which is on Aboriginal land, is currently the subject of negotiation with the Central Land Council and the Northern Land Council. The engineering studies were completed by BHP Engineering last year, and the project brief has also been completed with the assistance of Clayton-Utz and presented to the Commonwealth in February-March this year.

The port of Darwin is one of the exciting bonuses which will be maximised with the completion of the line. This new deep water port is under construction with the first stage due for completion at the end of 1997 at a cost of \$80 million. This will include a wharf of 490 metres and 29 hectares of hard stand, and these port facilities will cater for live cattle, bulk imports, general cargo and rig tenders. Stage 2 will involve an additional 300 metres of wharf, and an additional

10 hectares of hard stand for intermodal rail operations, with modal transfer systems between rail and sea.

The Darwin hub, which will be used by the port, will give Darwin, through direct shipping, access into Hong Kong, Tokyo, Manilla, Singapore, Jakarta and Surabaya, and will make dramatic time savings in point to point delivery times. Let me give some examples. Instead of going by ship from Adelaide to Tokyo, going through the Darwin land bridge and then by ship will save 11 days. From Surabaya to Melbourne, going through the land bridge (Darwin to Adelaide) will save 12 days. Singapore to Adelaide, again going through the proposed land bridge to Darwin, will save seven days. These are dramatic time savings, and it will mean that Australia will be able to become much more competitive in a range of products. It will open up markets which do not now exist. It will open up opportunities in a range of products in South Australia.

Shipments through the port of Darwin have increased dramatically in recent years. For example, international aviation services have increased by 69 per cent in the three year period 1993 to 1996. Domestic aviation services have increased by 49 per cent through Darwin in the period 1993 to 1996. International shipping services have increased by 77 per cent in the same period. Darwin, which was razed to the ground by cyclone Tracy in 1974, has been rebuilt. It is now a city of some 85 000 people, and is prospering from the growing diversity of the Northern Territory.

In the key area of transport, the report from the Northern Territory Government argues:

The linkages, both domestic and international, to and from Darwin, are too weak to establish Darwin as a natural trading centre and thus take full advantage of its geographic proximity to Asian markets. These linkages will need to be addressed if Darwin is to realise its potential.

That quotation in this very fine document is from the Federal Minister the Hon. John Sharp earlier this year. The report further states:

The completion of the Adelaide to Darwin railway, together with the development of a new deep sea water port in Darwin, is pivotal to the emerging Darwin transport hub, with direct contributions to a close engagement of trade with Asia and much needed competition at home.

In conclusion, this document argues that:

Given satisfactory arrangements are forthcoming in respect of Commonwealth Government's consideration, expressions of interest for private sector participation in the project will be called in March 1997. A development agreement can then be in place with the successful consortium in early 1998.

So, it is a very real prospect that we will see in the lifetime of the next South Australian Parliament, the beginning if not the completion of the Darwin to Alice Springs rail link.

*The Hon. T.G. Cameron interjecting:*

**The Hon. L.H. DAVIS:** The Hon. Terry Cameron says, with optimism in his voice, that there could even be an announcement before the next election about the commencement of the project. Given the bipartisan nature of our views on this matter, certainly I would join with the Hon. Terry Cameron in hoping that may take place.

It is important to recognise an enormous amount of work has been put in over the years to ensure this rail link occurs. The Wran committee of 1995 looked at the project in detail and believed that by the year 2000 it would be economically viable. The Wran committee consultants examined the potential of the line. However, the mineral potential was not fully appreciated at the time—some three years ago when the report was being put together and two years since it was reported—and, because it did not include the economic



benefits of using the line for the transport of minerals, the report did not reflect mineral exports in its final analysis. It admitted that if the potential for coal exports from South Australia—of which I will say more in a moment—and for the pig iron project, which received some publicity in recent months, were included with the railway project—and I quote directly from the report:

The railway project, net present value, would be strongly positive under all scenarios.

This analysis in the Wran committee report, which was excellent in many ways, sadly, did not put down figures for us to see the benefit of mineral exports flowing out of South Australia through the Alice Springs-Darwin rail link.

The recent mining developments in South Australia make a dramatic difference to the economics of the Alice Springs to Darwin rail line. First, in the Gawler Craton region of South Australia—a geographic area which is larger than Victoria and two thirds the size of New South Wales—significant mineral developments are likely to be announced over the next few months. There have already been strong public indications that commercial mining operations will be established in areas adjacent to Tarcoola and to the south of Tarcoola. They will be gold mines. There is also the possibility of base metal discoveries in this region.

One has to go back 20 years to remember that Western Mining first discovered massive mineralisation at Roxby Downs and 10 years later Roxby Downs was opened as a commercial mine, indeed the second largest underground copper mine in the world. The town now boasts a population of over 3 000 people and, by the time the planned expansions go ahead over the next two or three years, will be a township of 3 500. It was, as Premier John Bannon once observed, just a 'mirage in the desert'. Some mirage! There is the real prospect that we will find other ore bodies which may not be as massive in size as Roxby Downs but which will be commercially significant.

Some people argue that the Gawler Craton may well be South Australia's Kalgoorlie. That is a big statement but over the coming years may well prove to be an accurate one. The nature of the geology of the Gawler Craton region is such that it accommodates all types of geological structures found in Australia from the Archaean greenstone belts of Kalgoorlie, through to the Mount Isa style deposits, the Macarthur River style deposits and the Roxby Downs style deposits. The geology in this hitherto lightly explored region called the Gawler Craton is capable of accommodating a whole host of mineable metals. That will involve additional infrastructure—necessarily additional transport. While we have the east-west rail link, this region is also fortuitously close to the north-south rail link. Running through the Gawler Craton we have the north-south rail line from Tarcoola to Alice Springs.

In addition to the Gawler Craton discoveries of recent months—of which much more will be heard over the coming months—we have also the real prospect of a major pig iron project using coal and iron ore from deposits immediately south of Coober Pedy—again adjacent to the north-south rail line. Those deposits have little overburden. They are easily mineable, of economic grade and, given the conjunction of coal and iron ore with a rail line—the only place in the world where those three things are in such close proximity—will give enormous economic advantage to the production of pig iron and will certainly mean that it will be in the bottom 10 per cent in terms of costs of producing pig iron anywhere in the world. The South Australian Government—with a small equity interest and the support of the Department of Mines

and Energy—Meekatharra Minerals and Ausmelt, both listed companies, have been progressing this project. BHP Engineering in recent months has indicated a preparedness to develop the demonstration plant in the Spencer Gulf region to prove up the Ausmelt smelting process.

This is all on the public record. There has also been speculation that BHP is closely looking at the future of its steel operations in Australia. There has been some speculation about Newcastle and Whyalla. There was some suggestion in the *Financial Review* late last year that BHP may piggyback on the pig iron project to further develop its steel making operations in South Australia, either adjacent to the pig iron project or at its existing plant in Whyalla. The capital injection required to take the step from pig iron to steel is considerable, but the consequences of the development of the pig iron project, if it proceeds, are significant in terms of not only the economic benefits to South Australia but also in terms of the use of the Darwin-Alice Springs rail link.

Krakatoa Steel, an Indonesian State owned steel company and one of the great steel companies of Asia, is already committed to an equity interest in this project and is actively participating in the development of the project. One could imagine, given its commitment to take pig iron from the project, that the rail link will be a considerable advantage to the economics of the project. In addition to the possible sale of pig iron and/or steel from the proposed \$1 billion plus project, it is conceivable that the coal itself might be separately exported. Also, one cannot ignore the extraordinary mineralisation occurring in the Northern Territory: gold in the Tanami region and known uranium reserves and base metal deposits in the Northern Territory mean that the rail link will be a valuable transport corridor.

The rail link we are debating today is closer to reality than it ever was. It is important for us to recognise that we should keep pressing ahead with it because there are some people, particularly in Queensland, who have been arguing that it would be a good idea to develop a rail line from Mount Isa through to Darwin which would enable the transport corridor to develop out of Sydney and Brisbane through to Darwin.

This rail link is vital for the future economic wellbeing of this State because Victoria and South Australia traditionally have been the two great manufacturing States and, if Victoria and South Australia can work together cooperatively to develop a manufacturing axis to use to mutual benefit the rail link through Darwin, it will contain in a very real way the steady and above average growth in manufacturing, particularly in Queensland and also in New South Wales, where they do have the advantage of being closer to the Asian region. They have the advantage, particularly in Queensland, of a very strong population growth and given that in Queensland there is already a fair degree of servicing of companies based in Papua New Guinea, Indonesia and places to the north, it is important for South Australia and the Northern Territory to keep pressing the Commonwealth Government to give priority to this project and make the project a reality.

Finally, Joan Kirner, a former Premier of Victoria, in August 1994 was Chairman of the Centenary of Federation Advisory Committee and reported to the Council of Australian Governments on possible ways in which we might celebrate the centenary of the Federation of Australia. One of the major recommendations was the completion of the Adelaide to Darwin rail link. As the Hon. Marshall Peron said, as quoted in the report, we can cut up to six days off the voyage of getting goods from South Eastern Australia to South-East Asia if there is a railway line through the

Northern Territory. The railway has been identified as a critical factor in the defence of Australia. Rosemary Follett, who was then Chief Minister of the ACT, made a telling observation when she said, 'In many respects, our transport links are much the same now as they were when Parliament first sat in Canberra.' I support the second reading. I know that with the support of all Parties this Bill is a formality. I hope also that the construction of the rail link to Darwin becomes a formality.

**The Hon. R.D. LAWSON:** I, too, support this measure and wish to make a few brief observations in support of the Bill, which will ratify the preliminary agreement executed on 13 November 1996 by the then Premier of this State, the Hon. Dean Brown, and the Chief Minister of the Northern Territory, the Hon. Shane Stone. The Bill is a short one, which merely ratifies the preliminary agreement and also authorises the Minister to enter into a legally enforceable agreement at some time in the future. It would be accepted that the preliminary agreement which was executed in November 1996 is not so much a legally binding contractual agreement as a political compact, which is probably not something that is enforceable in the courts. Of more importance than the preliminary agreement itself is the project which underlies it. As previous speakers have said, this is an important project. It is a project that is important not only for the State of South Australia and for the Northern Territory, but also for the nation as a whole. The commitments made in the preliminary agreement, namely the \$100 million in 1996 dollars from the South Australian Government and, curiously, \$100 million in 1995 dollars from the Northern Territory Government are very substantial.

However, those substantial amounts are insufficient by a substantial margin to complete this project. The Governments are to be commended for the approach which has been adopted, namely, the seeking of private sector participants to provide the balance of the funds and to make the project work. Without private sector involvement this project will not work. The acknowledgments contained in the preliminary agreement are expressed to be subject to binding arrangements being made between the Governments and private sector participants on or before 31 December 1998. It is a reasonable time frame when the document was entered into in November 1996; however, it will not be too long before December 1998 arrives and there is yet much to be done.

It is interesting to note that the preliminary agreement provides that the funding contributions are subject to the project being consistent with the competition principles agreement made between the Commonwealth and the States and Territories. It is important to bear in mind competition principles and economic fundamentals when examining a project of this kind. We should not be too greatly influenced by romantic notions of the Adelaide to Darwin rail. As the Minister for Transport said today earlier in her second reading contribution, there were many people of vision in this State in the 1890s who were advocating the establishment of this rail. It did not then happen.

The agreement under which the Northern Territory was ceded to the Commonwealth from the State of South Australia was, as every schoolchild knows, subject to an arrangement which related to this railway and which was never honoured. Countless inquiries and commissions over the years have examined the issue and, as much emotional effort has been put into supporting the case, we should step back for a moment and ensure that the economic fundamen-

als are correct, because this project should not proceed for sentimental or historic reasons; it should go ahead only if it meets the appropriate financial and economic criteria.

The reference to the competition principles reminds me that rail is a form of transport; it is in competition with sea transport; and, of course, it competes with land transport. I am not committed to any particular form of land transport. There are railway buffs who will always put rail ahead of road transport. I believe those sorts of preferences should be laid to one side. We must adopt a hard-headed approach to the establishment of this railway.

What is more, the approach that was adopted in 1910, in the 1890s, or even when Mr Neville Wran's committee prepared its report is only of historic interest. As each stage in this project is reached, there must be a reappraisal of its economic viability.

The Hon. Legh Davis spoke of the necessity for taxation concessions, but it seems to me that we should not allow this project to distort investment decisions. Undoubtedly, Government encouragement will be necessary if this project is to proceed. However, the extent of that Government participation should be carefully watched.

There is, of course, a great political imperative for us all to establish the Alice Springs to Darwin railway. Anyone who has visited Darwin would appreciate the close historic, cultural, commercial and business links between Darwin and the Northern Territory generally and the State of South Australia and Adelaide. There are established networks and patterns of custom which mean that this State is in an advantageous position to exploit the economic development of the north of Australia. Undoubtedly, the railway would facilitate that. However, as I say, it will be important at every stage to ensure that the \$1 billion which this project will exhaust is wisely spent.

There are a number of economic advantages to this State and the Northern Territory, and there are economic advantages to the country as a whole. There are defence implications, as the Hon. Legh Davis mentioned. I thought that the honourable member was drawing too long a bow when he said that the Alice Springs to Darwin railway would have the effect of reducing the road toll in the Northern Territory. Perhaps it will, but I think we need stronger grounds than the mere assertion that the establishment of a railway will lead to a reduction in the road toll to advance this project.

*The Hon. T.G. Cameron interjecting:*

**The Hon. R.D. LAWSON:** It has not been established elsewhere, and I doubt that it will in the Northern Territory. The Northern Territory Government has passed the AustralAsia Railway Corporation Act which established the corporation that will hold the title to the rail corridor and facilitate the construction and operation of the railway. That is an important and, indeed, a crucial step in advancing the project.

In conclusion, I congratulate the Minister for Transport for the great work that she has done in bringing to fruition the preliminary agreement and advancing this project by championing its many advantages in many forums. However, as I say, we should be aware of the danger of making this railway a sacred cow, something to which we mindlessly pay lip service out of regard for our forefathers. This project will succeed because it has great economic advantages. I support the second reading.

**The Hon. T.G. ROBERTS:** I rise briefly to support the second reading of this Bill. Most speakers have in a bipartisan

way put forward a case for the building of the line. I will touch on some of the reasons why it should be built on the basis of the likely outcome if it is not built. If the link between Darwin and Adelaide (in particular, South Australia) and to some extent Victoria is not made, the southern States of South Australia and Victoria could find themselves in a position of being disadvantaged in international markets with respect to transport costs to Asia.

Certainly, the distance and time saved between a scheduled port stop in Darwin for exports in particular as opposed to coming out of the Asian Straits and seas around the Western Australian coast or through the Queensland-New South Wales route, past the very delicate environmental sections of the Great Barrier Reef, could be another advantage for that central land corridor.

From the northern part of Australia almost to Brisbane is one of the longest pilot steerage distances in the world and it covers what is probably one of the most delicate land-sea environmental integrations in the world. One mishap in that area with any type of ship would create a disaster of major proportions. So, anything that can reduce the amount of shipping along that lane will be an environmental advantage.

The other issues relating to hydrocarbons and saving fuel have been raised by other members, and I will not go into that. Due to the way in which the new federalism is advancing at the moment, South Australia may indeed become less of a State and more of a region, and the linkage between the south and the north through into Asia becomes more important.

In the late 1980s I travelled to Darwin to look at the free trade zone which had been set up and examine some of the advantages that that would possibly offer to the Northern Territory, particularly in manufacturing, and some of the negatives which might occur in relation to exploitation. The negatives occurred before the positives were delivered. The free trade zone did not get off to a very good start and, although there is a lot of potential there for it to expand into something worthwhile, certainly it is an area that South Australia and the southern States need to be aware of when looking at some sort of investment starts when comparing a free trade zone with a manufacturing zone, for example, in the southern regions.

Tasmania, of course, will not receive any advantage unless it uses the port of Adelaide as a shipping land-based linkage through to Darwin and then into Asia. However, it appears that if the rail link does not go ahead the advantages could be lost for the container trade and those iron ore projects, pig iron projects and other mineralisation projects that are possibly half a decade or a decade away.

If we do not try to achieve a Northern Territory-South Australian link in the next half decade, I believe a great opportunity will be lost. The Northern Territory is examining statehood and is almost there. If the Commonwealth wants to look at redrawing boundaries, or at least examine the inclusion of a larger State—for example, South Australia and the Northern Territory—the rail link will become more than just a signature of that linkage: I believe a State almost the same size as Western Australia could be developed, and it would have a stronger economic base and a stronger chance of surviving without Commonwealth support if the two States merged.

South Australia has the advantage of education, health, arts and other cultural developments and centres. It has had a strong history and connection with the Territory over the past 100 years. As previous members have said, South

Australia and the Northern Territory were connected until we gave up our rights to the Northern Territory for the Commonwealth's promise to construct a rail link. I believe those negotiations could probably continue. The commercial and political benefits that would be achieved through that sort of linkage are obvious, and if the Northern Territory and South Australia decided to have joint negotiations for a single State parliamentary centre that would bring some benefits as well.

For all the reasons that other speakers have mentioned as to the need for the linkage to be made and the rail line built, I endorse and support the presentation of the Bill. From the contributions that I have heard from the other side, I believe members have underplayed the roles of the Wran committee and the Keating Government in firing up the enthusiasm for the linkage. I believe a lot of people saw it as a cynical exercise, perhaps to win some votes. I believe, for all the reasons outlined, that there needed to be a further examination of it as we moved into the next millennium to ensure that, if a transport corridor was to be land-based and built, it was done with the best available economic information and projected growth development information that we could obtain. Certainly, the EIS and the heritage and Aboriginal issues involved needed to be examined to ensure that there was a smooth passage and that the acquisition of the land was connected therewith. That committee made a start in moving all those investigations along.

Two separate States and the Commonwealth moving in different directions or at different times was always going to be complicated. I believe that the Wran committee, or the Commonwealth, did a good job in pulling that all together. As most speakers have placed on record, we now have the information base for people such as the Hon. Legh Davis, who is an adviser in matters financial and economic, and who is wildly enthusiastic. Former metal workers such as I are enthused by some of the figures and the enthusiasm that the honourable member has placed on record. I see an advantage to manufacturing in this State, and it certainly will be disadvantaged if that linkage does not go ahead. As to mining, where we need to move large, heavy ore over long distances, rail is the way to achieve that.

The Hon. Robert Lawson was a little critical of the honourable member's contribution in relation to saving lives. I believe one extra bonus of moving heavy traffic off roads onto rail is that we will ultimately save lives. It is just one of those extra bonuses added onto all the other advantages of moving into that rail link which gives me that extra bit of pleasure when moving to support a Bill or measure such as this. With those few words, I support the Bill.

**The Hon. K. T. GRIFFIN (Attorney-General):** I do not seek to take the credit for the development of the proposal in conjunction with the Northern Territory. The fact of the matter is that the Hon. Diana Laidlaw, as Minister for Transport, has been the Minister responsible for that. I am quite happy to bask in reflected glory. My involvement is, essentially, in terms of the drafting of the legislation—I suppose because the Department for Premier and Cabinet does not have parliamentary officials, and the task of drafting the Bill was hand-balled across to my office. I was happy to participate, merely to reflect the agreements which had already been reached.

The Hon. Terry Cameron asked about the difference between the Northern Territory contribution in 1995 dollars and the South Australian contribution in 1996 dollars. My understanding is that that is a correct representation of the

position. South Australia's commitment was initially \$100 million. It was not indexed. And, as a result of some negotiations with the Commonwealth last year, it was agreed that it would be indexed and that it would be based on \$100 million in 1996 dollars. One has to remember also that the Northern Territory is bearing other expenses—the costs of getting the corridor sorted out, acquiring the land, sorting out native title issues—

*The Hon. T.G. Cameron interjecting:*

**The Hon. K.T. GRIFFIN:** Yes, sure. However, they are, as I understand it, certainly putting in that amount of money; but then it is, to some extent, up to the Commonwealth. The Minister for Transport, the Premier and all the South Australian Government have been fairly proactive in trying to ensure that this gets off the ground. Also, it is acknowledged that there is bipartisan support for that to occur in this State.

The Hon. Robert Lawson raised some issues about governmental agreements, but it is important to recognise that the memorandum of agreement sets out the framework within which the State and the Territory are proceeding with this and that it is proposed that legally enforceable agreements will be entered into between the South Australian Government and the Northern Territory Government as well as the statutory corporation in the Northern Territory designed to identify issues of risk management. Quite obviously, South Australia does not want to incur either expressly or impliedly any liabilities of which it may not presently be aware and which are not presently the subject of the agreement.

The Hon. Sandra Kanck raised this and I thought that she was, whilst supporting the concept of the Bill, not particularly complimentary about the arrangement which has been entered into. She said:

When one starts reading the schedule, one notices that there must be a dozen provisos that could effectively stop the handing over of that \$100 million. I know that the Government in Opposition made the promise that it would put that \$100 million towards the line, but it remains only a commitment at this stage. I am pleased that it remains a commitment and has not fallen off the agenda, but that is all it is.

I am not sure what she means by that. The fact is that it is in the Government's and State's interest to endeavour to ensure that there are safeguards in there against incurring liability without warning, and that there are provisos which ensure that risk management is properly addressed and that the taxpayers of South Australia are not exposed to an unlimited liability. I would have thought it was good management that we should be putting in the provisos rather than just apparently writing a cheque in a way which would not provide the sorts of safeguards that we are seeking to put into the whole project.

I raise that issue because I do not want anyone to suggest that this is something of a hollow proposition: it is a substantive proposition. We are seeking to ensure that the taxpayers and the Government of South Australia—the State of South Australia—not just now but in 40 years' time, if the project gets off the ground (it will be a long-term commitment) clearly identifies at the earliest possible stage the mechanisms that will be put in place to ensure that the State incurs minimum liability beyond \$100 million in 1996 dollars. I thank the members who have contributed to the debate although, as I say, I would not seek to presume to thank the Minister for Transport because she has already done the work on it.

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

## GOODS SECURITIES (MOTOR VEHICLES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 12 February. Page 908.)

**The Hon. T.G. CAMERON:** I support the second reading of this Bill. I would like to place on the record my appreciation of Terry Moore from the Motor Vehicles Registry for his briefing: he was able to answer many of the questions I had in relation to this Bill. I would also like to place on record my appreciation of the Minister for providing these briefings which are a very useful aid in coming to a view about legislation before the Council, and I encourage her to continue this practice.

The primary purpose of this Bill is to extend the services provided by the Vehicle Securities Register through a participation and national security interests checking system. South Australia will enter into an agreement to cover service and compensation with those States which have corresponding laws. The Bill will enable information as to security interests on vehicles to be recorded on a Vehicle Securities Register if it originates in a jurisdiction which has corresponding laws, and this will include Victoria, New South Wales, Queensland, the Northern Territory and the ACT.

This legislation will provide further protection to the general public, financiers and motor vehicle dealers. The Bill will formally allow the Register of Security Interests to record information on stolen vehicles. It is happening now but is not specifically provided for in the existing legislation, and I am a great believer in the fact that, if we are doing something and it is not provided for by the law and it should be, we ought to change the law to formalise or legalise what we are doing. Compensation agreements will be entered into in relation to problems relating to jurisdiction. What I mean by that is that we will be setting in place compensation agreements to take into account any problems that might occur in relation to jurisdictional matters.

The Bill will enable the Register of Security Interests to have the power to authorise persons to perform vehicle securities business, including persons from the private sector. Whilst we have some reservations about the transfer of work to the private sector we understand that there will be extremely close monitoring and supervision of the system.

I have a couple of questions that I would like to put to the Minister later. I believe that this Bill will go a long way towards stopping some of the heartbreaking situations that I have encountered, as I am sure the Minister has as well: someone in good faith buys a motor vehicle and subsequently finds that the motor vehicle has been either stolen or has an encumbrance on it by a financier, and the next thing they know they are \$20 000 out of pocket and without a car. These steps to set up a National Vehicles Security Register should go a long way towards ensuring that, when someone buys a motor vehicle, they can be satisfied that the vehicle is free from encumbrance and not stolen, and that when they take title to it they can keep it.

I seek clarification on the following questions: what information will be placed on the register and what security will be in operation to prevent unauthorised access? What checks will be taken on people from the private sector who are to be made authorised agents?

**The Hon. R.D. LAWSON:** I, too, support this measure and, in doing so, think it appropriate to examine the provi-

sions of the Goods Securities Act which was introduced into this Parliament in 1986. It was fairly revolutionary legislation but legislation that was long overdue. The incidents to which the Hon. Terry Cameron referred, namely, purchasers of second-hand vehicles discovering too late that the vehicle which they purchased was the subject of a hire purchase charge or consumer mortgage or some other interest or, even worse, stolen, were legend.

The Goods Securities Act does provide a measure of protection. It is by no means all inclusive protection. It was my experience that notwithstanding the existence of this legislation, the register was, for a good few years after it was established, insufficiently used to make it a reasonably foolproof check. The scheme of the Goods Securities Act included the establishment of a register of security interests in prescribed goods. Prescribed goods are motor vehicles, and the types of securities interest which could be entered in the register were chattel mortgages, bills of sale, liens and charges, title to goods held under a form of lease and other prescribed interests. The mechanics of the register were fairly simple. The holder of a security interest in prescribed goods could make application for registration of the security interest in the register and the details required were fairly simple.

The Act provided that a certificate of registered security interest could be given, so that one could apply to the registrar and upon payment of a fee obtain a certificate which would show whether or not there were security interests registered in respect of a particular vehicle. The great advantage of the Goods Securities Act was conferred by section 11 which provides that in certain circumstances, which range over a number of different situations, a third party acquired good title to goods. By way of illustration, section 11(1) provides that where prescribed goods are subject to a security interest and a third party, for value and without notice of any security interest, purports to acquire title to the goods from the owner or apparent owner of the goods, the security interest is unregistered, and a search had been made and a certificate obtained which did not disclose that security interest, that third party would acquire a good title to the goods and the security interest was discharged in respect of the goods. There was a great incentive to financiers and others to register their security interests and there was also a great incentive to a person buying a used vehicle to actually search the register and obtain the certificate. The section also provides mechanisms for resolving title disputes against different parties claiming different interests in the same vehicle. From the consumers' point of view, an additional advantage is conferred by this registration. Section 11(3) provides that where goods are subject to a security interest, and a person purports to acquire title from a dealer rather than from a person who is not a dealer, and the security interest has been discharged by operation of either subsections (1) or (2) of section 11 'the dealer is liable to compensate the holder for loss'. There is a great incentive on dealers also to use the register.

The register has been quite successful, although there have been some celebrated cases where, notwithstanding the legislation, consumers have lost substantial amounts of money in consequence of buying goods that were subject to security interests or perhaps stolen. One limitation of the existing scheme is that it is purely a State-based scheme. The amendments contained in the Bill now before the House will enable this scheme to be extended into security interests across a number of participating States. Given the substantial interstate market in motor vehicles, it is appropriate that this

next step in consumer protection be taken. I support the philosophy behind the legislation and I support its second reading.

The matter of stolen vehicles is difficult. Very often when one is dealing with security interests in vehicles, one is not dealing with dishonesty but merely carelessness or insufficient attention to detail by dealers or others. On the other hand, when you have stolen goods and persons who are engaged in fraudulent conduct, it is very difficult by legislation to effectively protect the public from the depredations of such people in all circumstances.

It is noted in the second reading speech of the Minister that this Bill will formally allow the Registrar to record stolen vehicle data which is supplied by the Commissioner of Police. It is said that that is a further service to clients. It is noted that this information is recorded at the present time and it is not specifically sanctioned by the existing legislation. So, that measure which will formally allow the Registrar to note that police information is now being formalised, and that is a sensible measure. However, the second reading speech goes on to say:

Stolen vehicle information will not be subject to protection or compensation and will be provided as an advisory service to ensure that the client is aware that a vehicle may still be subject to police investigation.

I understand that statement of the Minister to mean that there is no improvement wrought by this Bill in relation to information concerning stolen vehicles. In other words, the Commissioner of Police may pass on information to the Registrar of Security Interests, who may register that information on the record relating to a particular vehicle simply as a service. The warning thus given may be heeded or may not be heeded, but there is no compensation or statutory benefit that a consumer who makes a search and ascertains that information can obtain.

I suppose my question to the Minister in this regard is whether there is any proposal—and I think it would have to be a national proposal—to include some measure to give protection or compensation to buyers of vehicles in addition to that which they already obtain from the secondhand vehicle dealers legislation in respect of a failure of title. I support the second reading.

**The Hon. SANDRA KANCK:** I indicate that the Democrats support this legislation. In fact, it is one of these things where, once you read it, you think: why has it been so long in coming? I have a couple of questions that I would like the Minister to answer if she could when she sums up, mainly because I am just a little vague on them and I need some clarification. In her second reading speech when introducing the Bill, she said:

Compensation agreements with participating jurisdictions are necessary to avoid applicants becoming involved in difficult across jurisdictional claims for compensation. These agreements will require South Australia to accept initial responsibility for any claim for compensation arising from any erroneous encumbrance certificate issued by South Australia, even though the interest may have been registered elsewhere. However, the agreements will allow South Australia to recover the compensation from the jurisdiction where the error in registering the security interest occurred.

I would like the Minister, if she could, to walk us through an example of this. It just seems a little strange to me that an erroneous encumbrance certificate would be issued in the first place, given everything else in the Bill. Certainly the Minister may be able to clarify that for me so I understand better how it will work.

The other point was in relation to clause 6 (the insertion of sections 8A and 8B), in relation to which the Minister said:

However, no right will arise to compensation or damages under the Act or at law unless the security interest remains unregistered beyond the end of the day next following the receipt of the application or the registration of the security interest under the corresponding law.

I was just a little perplexed as to how one would go about proving this. Perhaps the Minister might be able to provide some explanation of that for me as well. With those couple of queries, and a few others I will ask in the Committee stage for clarification, I indicate that the Democrats will be supporting the Bill.

**The Hon. DIANA LAIDLAW (Minister for Transport):** I thank members for their participation in the debate. In terms of the Hon. Sandra Kanck's opening remark about wondering why it has taken so long coming, I think it is a pretty fair comment. It is also a fair reflection on the way in which jurisdictions across Australia have dealt with so many matters related to road traffic and motor vehicle laws in this country. That is why we are seeking across the nation to introduce uniform legislation in a whole range of areas. It is only now that we are getting uniformity in this area of goods securities that we can look at these reciprocal arrangements and provide a more comprehensive, much more effective scheme on a national basis.

While we may operate within boundaries that are defined by the constitution and are outlined on maps and things, it is certainly irrelevant to people in terms of trading cars and the like, and we need national schemes for such purposes. The only two States that will not be participating as a consequence of the passage of this legislation and subsequent agreements will be Western Australia and Tasmania. Tasmania, with a smaller market and because of the distance with the sea, is not such a concern in terms of the trade of vehicle. As to Western Australia, and Perth in particular, with such a distance involved, it is not an immediate concern, but jurisdictions across Australia are seeking to encourage Western Australia to catch up with this and to be part of the national scheme.

I thank the Hon. Terry Cameron for the acknowledgment of the work undertaken by Mr Terry Moore in briefing him in respect of this Bill. I am sure that Mr Moore will be very pleased to see that acknowledgment on the record. It is certainly my intention to continue such practices. In fact, in the parliamentary break, I have quite a bit of work for the Hon. Mr Cameron to do with me—and hopefully the Hon. Sandra Kanck—in terms of road safety matters, because this push for a national agenda on some of these things will require at least some effort to have a bipartisan approach. If that does not work out, we will work out some other means of dealing with it. I do think it is worth having a go in terms of road safety law in particular to seek some bipartisan approaches in some of these areas. If the Hon. Mr Cameron is available, I hope there will be more discussions over the next few weeks on road safety matters in particular.

*The Hon. P. Holloway interjecting:*

**The Hon. DIANA LAIDLAW:** The approaches were not even made to me. I have learnt from the disgraceful way in which I was dealt with in Opposition by a Minister of the Labor Government, and decided that I would approach matters quite differently. The honourable member may also recognise that on occasions one has to do what one's Party requires in terms of Party room votes and not always what one's preference might be. There were some very strong views in the past about .08 and .05 and a whole range of

things, and views modify when these matters have been implemented and have been around for some time. It is interesting that representatives of the Australian Hotels Association, who are present for our debate on another legislative matter, should be present during this debate on road safety and .08 and .05, because we will probably be having more discussions with them on this matter and road safety legislation when this current session finishes.

The Hon. Mr Cameron mentioned some reservations about transferring the work to the private sector. This is a national trend here. There is little point in having information held by the private sector transferred and double handled by requiring the Department of Transport, through registration and licensing, to lodge the information. It can do it instantly and be responsible for the information that it lodges. An important part of the Bill is the responsibility that authorised persons would have in lodging the information.

That is one comment I make in regard to the question the Hon. Sandra Kanck asked about the compensation arrangements with participating jurisdictions being necessary to avoid applicants becoming involved in difficult across jurisdictional claims for compensation. She asked for an example. We would have to accept responsibility in this State if a Department of Transport registration and licensing officer keyed in incorrect information for anybody else who accessed that information. One of the good things about this Bill is that our officers will not be solely responsible for that information and we will authorise others—financing agents and the like—to be responsible for keying in information relevant to them, so our risk and compensation is much less than if we totally accepted all responsibility for receiving and keying in the advice and having it accessible across Australia.

We have minimised our risk in this sense, but we accept that where we key in the information we must be responsible for it, because people make some very big decisions. After a house the biggest decision for many people is buying a car and for young people it is probably the biggest decision they make, so we must be held accountable for the information we provide.

In terms of access to the goods security register, it is always distressing when one hears of people who have bought a car without the knowledge of so many of the encumbrances. I am pleased that the goods securities, through the Department of Transport, is advertising more through the Trading Post and other relevant journals where young people and others look for information on second-hand vehicles and the like, so the advertising about advice and the wisdom of checking with the goods securities register means that people are made more aware.

The Hon. Robert Lawson made reference to stolen vehicles. Stolen vehicle information is currently provided as an information service to clients, as he noted. The amended Act will formally allow the provision of such information, but ensure that the Government is not liable for compensation in the case of error, the reason being that protection is necessary because stolen vehicle information is obtained from the South Australian Police and not formally checked and recorded in the same manner as is an encumbrance. Therefore, it would be inappropriate to render the Government liable for compensation in those circumstances. So, the compensation provisions in this Bill are different for the erroneous encumbrance certificates that would be issued upon checking by a person accessing and seeking advice. If there was error, compensation would be paid. If they were checking in terms of stolen vehicle information, the provision in the Bill is that there

would not be compensation in such instances because the information has not been checked in the same manner before being entered onto the records.

I advise the Hon. Mr Cameron that the information on the security of vehicles is to be recorded in a manner that is sufficient to identify the vehicle involved and the details of the security interests to be registered. No personal information relating to the registered owner of the vehicle is to be recorded or released. In relation to his queries about authorised persons, including an authorised person from the private sector to be protected and how these persons are to be authorised, I advise that this provision is intended to allow in the future, when the necessary technology is in place, for private sector financial providers to record, amend or cancel their own, and only their own, security interests.

In addition, persons such as car dealers will be able to remotely order a vehicle securities register encumbrance check and have the certificate, which is completely generated by the central computer, printed locally onto plain paper. These initiatives will significantly improve the service delivery to both the public and to financiers. I hope that satisfies the honourable member. I understand that the Hon. Sandra Kanck has a few more questions. I hope that they are not too hard as I do not have an adviser here, although I have a fair understanding of the Bill. If I cannot answer the question sufficiently I will seek further information.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—‘Commencement.’

**The Hon. SANDRA KANCK:** I noted that the Minister’s second reading explanation specifically stated that in clause 2, under the Acts Interpretation Act 1915, different provisions may be brought into operation on different days. Was there an intention to proclaim different parts at different times and, if so, which parts and when will the main body of the Bill come into operation?

**The Hon. DIANA LAIDLAW:** There are two major parts to this Bill, one being the ability for us to start these interstate arrangements through the national checking systems and we would be keen to proclaim and introduce that facility as soon as possible. The other major part of the Bill is authorising agents from the private sector to participate in registering information and the like and that will depend on our ability to acquire the necessary technology and training in terms of the private sector financial providers to record, amend or cancel their information and their own security interests. That will take a little longer, but we do not want to hold up the interstate exchange of information, so it will be proclaimed in parts.

Clause passed.

Clause 3 passed.

Clause 4—‘The register.’

**The Hon. SANDRA KANCK:** New subsection (3) provides:

The register may also contain—

...

(b) such other information as to prescribe goods as the Registrar determines may be included in the register.

Can the Minister indicate what sort of information we are talking about?

**The Hon. DIANA LAIDLAW:** The Act provides for other encumbrances relating to all sorts of fields to be provided for. I will have to get detailed information on the extent of arrangements for other transactions that are to be

negotiated, registered and assessed through the goods security register. I know, for instance, that the Insurance Council has been keen to use the register for the identification of hulls of boats in terms of stolen vehicles and encumbrances on boats. It is something at which the Insurance Council and the Boating Industry Association have been looking. Some progress has been made but, because of work in New South Wales, which everyone wants to assess first before adopting it in their State or nationally, there is great interest, although not great progress at the moment.

**The Hon. Sandra Kanck:** Would that require legislation to come back here?

**The Hon. DIANA LAIDLAW:** No. The Act provides a whole range of other categories, and this is just empowering the register. There seems to be a shortfall in the Act at present, and that is why there is a broad provision but not an empowering provision for the register to do so. We are trying to tidy it up. The police are now using it for stolen vehicles. Increasingly, it is being used for a variety of purposes and, increasingly, the number of hours that the register is open for public access is being extended and it is more powerful. With shopping hours and a whole range of other things that are changing, hopefully the register will be open 24 hours a day, seven days a week, so that whenever transactions are made—be it over the Internet or whatever—the goods security register will be available. It is changing rapidly, and this legislation will enable it to be more effective, without always referring it back here because of the consumer service that is being provided.

Clause passed.

Clause 5—‘Application for registration.’

**The Hon. SANDRA KANCK:** I noted the legislation compared with the speech, because the speech was very clear in that it provides that—

*The Hon. Diana Laidlaw interjecting:*

**The Hon. SANDRA KANCK:** Yes. It is nice and clear and states:

This clause amends the provision requiring security interests to be registered in the order in which applications are lodged with the Registrar to make it clear that it applies only to security interests that are the subject of applications under section 5—

and then it said in the speech—

not to those security interests that will be registered under section 8A because they have been registered under a corresponding law.

The Bill itself makes no reference to section 8A. It seemed significant that the speech said that it did not apply to those security interests registered under section 8A. Why is that not in the Bill?

**The Hon. DIANA LAIDLAW:** As explained in the second reading speech, it is necessary to refer to section 8A, which refers to interstate arrangements. We had to make reference to securities interests in the same goods that are the subject of applications under this section having to be registered under this Act in the order in which the applications were lodged with the Registrar. That had to make reference to the new section that we are inserting in terms of interstate access. I can get more detailed information for the honourable member in terms of specific references—

**The Hon. Sandra Kanck:** I just want to make sure that you are clear about it.

**The Hon. DIANA LAIDLAW:** I am clearer now that I have referred to the Act but, when looking only at the Bill, I can see why it is not clear.

*The Hon. Sandra Kanck interjecting:*

**The Hon. DIANA LAIDLAW:** Yes. It looks as if some part has been missed out, but one sees that that is not so when

one refers to the Act. I thank the honourable member for highlighting that matter.

Clause passed.

Clauses 6 to 10 passed.

Clause 11—'Payment of money into and out of Highways Fund.'

**The Hon. SANDRA KANCK:** What sort of payments are envisaged in relation to this clause?

**The Hon. DIANA LAIDLAW:** The Highways Fund receives all moneys that are lodged with the Registration and Licensing Division: all drivers' licence fees, registration fees and payments relating to the goods security register, including payments received under arrangements under section 8A. As I mentioned earlier, section 8A refers to the interstate arrangements, so any money that comes in under the interstate arrangements will now go into the Highways Fund, and this provides for that type of transaction.

**The Hon. Sandra Kanck:** What sort of amounts are expected?

**The Hon. DIANA LAIDLAW:** I do not have that information at hand. However, I will seek it and provide an answer to the honourable member.

**The Hon. R.D. LAWSON:** Taking up the point raised by the Hon. Sandra Kanck, I noted that the fees are paid into the Highways Fund. Looking at the department's annual report for the 1996 year, which is the last report tabled, the account of the Highways Fund in the report is not terribly detailed and lists only the amount—some \$6 million—held in that fund at the end of the financial year, and there does not seem to be any detail about the operations of the goods security register. In her written reply to the Hon. Sandra Kanck, will the Minister indicate the details of the fund?

**The Hon. DIANA LAIDLAW:** It is probably about \$360 million when all Federal and State revenue in respect of roads is taken into account. I am not clear on the reference the honourable member makes, because the Highways Fund is not the recipient of all funds that are disbursed for road maintenance and construction works in this State. It is a very big budget. I will seek to clear up the confusion arising from the annual report.

Clause passed.

Remaining clauses (12 and 13) and title passed.

Bill read a third time and passed.

*[Sitting suspended from 5.55 to 7.45 p.m.]*

### WATER RESOURCES BILL

Returned from the House of Assembly without amendment.

### LOCAL GOVERNMENT (CITY OF ADELAIDE ELECTIONS) AMENDMENT BILL

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

**The Hon. K.T. GRIFFIN (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.

This Bill is designed to provide a time frame for the introduction of optimum arrangements for the future governance of the City of Adelaide. It provides that Adelaide City Council members elected at the May 1997 elections may serve a reduced term and that the next

general elections for the Council may be held in the period from 2 May to 5 September 1998.

There is widespread agreement with the conclusion of the Adelaide 21 Report that the present governance arrangements for the Adelaide City Council must be reviewed to overcome existing structural problems and meet the requirements of the 21st century but until recently there has been little agreement about how that review should be achieved.

At its first meeting for the year on 28 January the Adelaide City Council endorsed some principles it considered appropriate for a review of governance and submitted these together with proposals designed to form the basis of further discussions. Those principles were that the review should be jointly convened and funded by the Adelaide City Council and the State Government, conducted by a panel of people who are seen to be independent from the Council and the Government in the formation of its recommendations, required to consult widely on proposals for the future governance of the City, conducted openly and within negotiated terms of reference, and completed as soon as is practicable.

Following discussions which involved representatives of all political parties, the Local Government Association and the Council, a plan emerged which was consistent with those principles. As the Premier recently announced, a Governance Review Advisory Group consisting of three Advisers whose independence and expertise is accepted by all parties has been established to report to the Minister for Local Government by 31 December 1997 on arrangements for the future governance of the City of Adelaide.

The terms of reference for the Group will allow it to review all the structural matters which have been identified as relevant to the future governance of the City including the powers, functions and responsibilities of the Council, the size and composition of the Council, the powers, functions and responsibilities of Council members, the system and process for choosing members, the electoral franchise, electoral boundaries within the Council, and the external boundaries of the City. The aim, following consultation on the Group's report and consideration of its recommendations, is to put a fresh structure for City governance in place and hold elections for the Council in 1998.

The discussions which occurred included consideration of the best time frame for the review and whether or not it would assist the review process to defer the May 1997 elections for a period of up to a year. This Bill recognises the importance of allowing sufficient time for the views of all interested persons to be taken into account and for proper consideration of the more complex issues involved, and respects the democratic right of the electors of the City of Adelaide to vote for their representatives. At the same time it ensures that candidates are aware of the fact that they may hold office under the current structure for a reduced term.

#### Explanation of Clauses

The provisions of the Bill are as follows:

*Clause 1: Short title*

This clause is formal.

*Clause 2: Amendment of s. 43—The principal member of council* Section 43 of the Act deals with various matters, including the election of the chairman of a council (if appropriate), and of a deputy mayor or deputy chair. The Act currently refers to a person being appointed to one of these offices for a period "not exceeding 2 years". In view of the move to three-year terms for local councils, and the possibility that another general election for the City of Adelaide will be held in 1998, it is appropriate to make these consequential amendments to replace the references to two years with a more general reference that is consistent with the new circumstances.

*Clause 3: Amendment of s. 94—Date of elections*

It is proposed to provide that the Governor may determine that an additional general election will be held for the City of Adelaide on a Saturday between 2 May 1998 and 5 September 1988 (inclusive).

**The Hon. P. HOLLOWAY** secured the adjournment of the debate.

### RACING (INTERSTATE TOTALIZATOR) AMENDMENT BILL

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



**The Hon. R.I. LUCAS (Minister for Education and Children's Services):** 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.

The purpose of this Bill is to amend section 82A of the *Racing Act 1976*. Section 82A provides for an agreement between the TAB and an interstate totalizator authority under which bets are accepted in South Australia by the TAB on behalf of the interstate authority. The point of this is to create a larger pool than would be created if separate totes were conducted in each State.

Section 82A provides for deductions from the amount of bets placed and requires correspondence between the laws of the States concerned on this subject. The purpose of the amendment is to increase the range of percentages for deduction purposes so as to facilitate correspondence between those laws.

The amendment to section 82A(4)(b) increases flexibility by providing that the TAB will have the option of terminating the agreement if the law in the other jurisdiction is not in accordance with South Australian legislation.

The TAB entered into an agreement with VICTAB (now TABCORP) in 1992. Victorian law has changed since then and it is necessary to provide in clause 2 of the Bill that it will operate from the date on which section 82A first came into operation.

Explanation of Clauses

The provisions of the Bill are as follows:

*Clause 1: Short title*

Clause 1 is formal.

*Clause 2: Commencement*

Clause 2 provides for the commencement of the Bill from 21 September 1992.

*Clause 3: Amendment of s. 82A*

Clause 3 amends section 82A of the principal Act in the manner already mentioned.

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

### PUBLIC FINANCE AND AUDIT (MISCELLANEOUS) AMENDMENT BILL

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

**The Hon. K.T. GRIFFIN (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.

The Government's tendering processes and contracting arrangements may become subject to scrutiny by a Parliamentary Select or Standing Committee. Parliamentary Committees may have the power to require the production of tender and contract documents. Where this power is exercised and the Government is required to produce the contract document the potential exists for commercially sensitive matters to become public.

As members are aware agreement has been reached between the Government and the Opposition parties as to how outsourcing contracts can be made available to Parliamentary Committees.

In essence the agreement is that:

- Parliamentary Select or Standing Committees may have access to an authentic summary of the relevant contract
- the summary will exclude matters which are commercially sensitive
- the summary will be prepared without delay
- the Auditor-General, an independent statutory officer responsible to Parliament, will have access to all information
- the Auditor-General will certify the summary once he is satisfied that relevant details are being disclosed and that the matters claimed to be commercially sensitive are so.

At the time this agreement was reached amendments to legislation were not contemplated. However, the Auditor-General has requested amendments to the Public Finance and Audit Act 1987 to formalise his role in the process.

The office of Auditor-General is established under the Public Finance and Audit Act 1987 which sets out the Auditor-General's

functions, duties and powers. It is not part of the Auditor-General's normal functions to report to Parliament on contract summaries for use by Parliamentary Committees. The Auditor-General has requested amendments to provide a legislative base for him to report to Parliament on summaries of contracts. The Auditor-General will, when so requested by a Minister, examine a summary of a contract and report to Parliament on the adequacy of the document as a summary of the contents of the contract, having regard to any requirements as to confidentiality affecting the contract.

The amendments provide that the Auditor-General's report is to be made to the Minister requesting the report and to the President of the Legislative Council and the Speaker of the House of Assembly. To allow the work of Parliamentary Committees to proceed while Parliament is not sitting, provision is made that a report delivered to the President and the Speaker while Parliament is not in session or is adjourned may be passed on to a committee inquiring into a matter to which the report is relevant.

The Auditor-General has asked that an unrelated amendment be included in the Bill. This amendment authorises the Auditor-General to table a supplementary report to his annual report. The Auditor-General has tabled supplementary reports in the past where agencies have not completed their accounts in time for inclusion in the annual report. It is arguable that there is no authority for this practice and the Auditor-General has requested that it be put on a proper footing.

Explanation of Clauses

The provisions of the Bill are as follows:

*Clause 1: Short title*

Clause 1 is formal.

*Clause 2: Commencement*

The measure is to be brought into operation by proclamation.

*Clause 3: Amendment of s. 36—Auditor-General's annual report*  
Section 36 of the principal Act requires the Auditor-General to prepare and deliver to the Presiding Officers of Parliament an annual report with respect to the financial transactions of the Treasurer and public authorities.

Clause 3 adds to the section a provision expressly authorising the preparation and submission of supplementary reports on matters required to be dealt with in such an annual report.

*Clause 4: Insertion of s. 41A—Auditor-General to report on summaries of confidential government contracts*  
Proposed new section 41A applies to a contract—

- to which the Crown, or a public authority or publicly funded body (see section 4 of the principal Act for definitions of those terms), is a party; and
- the contents of which are affected by contractual or other requirements as to confidentiality.

The Auditor-General is required, at the request of a Minister, to examine a document prepared as a summary of the contents of such a contract and to report (with reasons, as the Auditor-General thinks necessary) his or her opinion as to the adequacy of the document as a summary, having regard to the requirements as to confidentiality affecting the contents of the contract.

The Auditor-General may, when preparing such a report, consult with any Minister in relation to a matter to which the report relates.

When completed, such a report is to be delivered to the Minister who requested the report and to the President of the Legislative Council and the Speaker of the House of Assembly.

The President and the Speaker are to lay copies of the report before their respective Houses and may, if Parliament is then not in session or is adjourned, deliver a copy of the report to any Parliamentary Committee inquiring into a matter to which the report is relevant.

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

### SUBORDINATE LEGISLATION (COMMENCEMENT OF REGULATIONS) AMENDMENT BILL

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

No. 1. New clause, after clause 2—Insert new clause as follows:  
Substitution of s.10AA

2A. Section 10AA of the principal Act is repealed and the following section is substituted:

Commencement of regulations

10AA. Subject to any other Act, a regulation (whether required to be laid before Parliament or not) comes into operation on the day on which it is made or on such later date as is specified in the regulation.

No. 2. Clause 3, Page 1, lines 16 and 17—Leave out ‘from subsection (1a) “the reasons” and substituting “detailed reasons” and insert “subsection (1a)”.

**The Hon. K.T. GRIFFIN:** I move:

That the House of Assembly’s amendments be agreed to.

These are amendments by the House of Assembly to restore this Bill to the form in which it was when it was introduced into this House, particularly to remove the unnecessary obligations upon Ministers to sign certificates which will allow the regulations to be brought into operation immediately. We have explored the rationale for that in the earlier stages of consideration of the Bill.

**The Hon. CAROLYN PICKLES:** The Opposition opposes the motion moved by the Government. We have made our position quite clear: we opposed the second reading of the Bill. When it passed we then inserted amendments. We still insist on those amendments being contained in the Bill, and we have no doubt this will now move to a conference of both Houses.

**The Hon. SANDRA KANCK:** I indicate that the Democrats have not changed their position.

Motion negatived.

The following reason for disagreement was adopted:  
Because the amendments are inappropriate.

#### TOBACCO PRODUCTS REGULATION BILL

Adjourned debate on second reading.  
(Continued from 6 March. Page 1155.)

**The Hon. R.R. ROBERTS:** This Bill is fast becoming the Barnum and Bailey Bill. We have had three people in control of this Bill; it is like a three-ring circus. On 5 February this year the Bill was introduced by the Treasurer, the Hon. Stephen Baker. He said:

This Bill seeks to merge the provisions of the Tobacco Products (Control) Act 1986, and the Tobacco Products (Licensing) Act 1986. . . The Bill also includes a change to the basis on which licence fees are calculated.

He said that the Government recognised, as does most of the community, that tobacco is injurious to health.

He further stated:

It has also been recognised by the Government that the extent of health effects on smoking are such that strong action is required to deter people from taking up smoking, and to encourage existing smokers to give up smoking.

That is an important consideration for members to remember, and members will become more aware of it when I give notice of some amendments that we intend to move. The Treasurer also said that the link between the quantum of tar in tobacco products and the likely adverse impact on health flowing from tobacco smoking was well documented. He said:

Under the existing Tobacco Products Licensing Act the licence fee for tobacco merchants is based on 100 per cent of the value irrespective of the tar content of the product.

What he was doing was leading into a proposition that he wanted to change the taxation regime and introduce three classes of cigarettes for licensing based on their tar content. They are laid out in the Bill and I do not intend to go over them at the present moment. The Treasurer further said:

The provisions of this Bill also strengthen the regulatory and compliance aspects of current legislation by proposing that only ‘fit and proper’ persons will be permitted to be licensed as tobacco merchants. This will ensure that merchants do not take an irresponsible attitude towards the sale of tobacco products to minors.

He also mentioned another proposition that the Opposition agrees with, and that is that this Bill also strengthens the basis to be used in valuing tobacco products. He said:

This will eliminate the scope for argument that licence fees can be paid on anything other than the gross wholesale price. This ensures that artificially depressing prices cannot be used as a means of undermining the Government’s commitment to discouraging smoking. . .

Again, he is talking about discouraging smoking because it is harmful to health. He concluded his contribution by stating:

Besides consolidating the regulatory requirements that currently apply, this Bill evidences the Government’s clear aim of encouraging tobacco consumers to quit smoking altogether or, failing that outcome, at the very least to switch to lower tar content products.

What he was clearly trying to indicate was that the Government was doing this on the basis of the health aspects of the Bill. However, anybody who has been around more than five minutes knows exactly what is going on here. This Bill was brought to this Parliament because of a test case in the Federal Court about tobacco. There is some body of thought which suggests that some of the Government’s ability to raise revenue may be jeopardised by that court case. I understand that. Everyone in this House understands that Governments in South Australia and in fact Governments right across Australia garner a great deal of revenue from the tobacco industry. I think the Government ought to have come clean and said, ‘This is what we are doing. We have to fix it up and, while we are doing it, we will grab a bit of extra tax, and we will do that on the backs of the smokers of South Australia’—and the Treasurer alludes to this—‘because we are concerned about the health of smokers and therefore will tax them more.’

This is a false premise: the logic is that by putting up the price of cigarettes people will not smoke more. What we are dealing with here is an addictive substance. People who smoke and have been smoking for a long time will attest to the fact that they are addicted to this product. I submit that putting up the price of cigarettes will not stop one person smoking or spending money on cigarettes. What they will do is cut out kids’ lunches and kids’ school shoes. We are talking about an addiction, and addicts of any nature will find a way to feed their habit. Clearly this is nothing more than a tax grab—and the Treasurer ought to have said so.

When the Bill was introduced we did not hear anything about smoking in restaurants, smoking in hotels and all the other things that were later introduced. This Bill was next debated on 4 March when my colleague in another place, Mr John Quirke, made a contribution and clearly laid out the position of the Opposition. We have no opposition whatsoever to the anti-bootlegging provisions that are contained in the Bill—and we said so in another place. We are also fully supportive of measures to restrict the sale of cigarettes to minors and we support the penalties for those who engage in that practice.

What we did not agree to was the grab for extra tax. On two occasions since the last election the former Premier and the present Premier have said that they would not introduce any new taxes; and in only December last year John Olsen said that he would not introduce any new taxes. That may be true in essence, but he has put up every tax and charge that we have ever had—and again we see an incremental tax. The Treasurer and the second performer in the three-ring circus, the Hon. Dr Armitage, are trying to justify the tax by saying they are only doing it for our health. They say that it is only 102 per cent and 105 per cent and, therefore, it is not a

burden, that it will discourage people from smoking and that it is in their best interest.

That might have been appropriate the first time this was done to smokers. For years Governments have been bleeding the smokers and the working class in this State with taxation on beer and cigarettes, and that is Governments of both persuasions not just this Government. Smokers are entitled to say, 'Enough is enough.' The Government laments the health aspects of tobacco and what it is doing to the community, but it does not say that it will stop it. It would be a nonsense to say today that we are going to stop smoking. It is a legal substance and, used in accordance with the law, there is nothing wrong with people choosing to smoke if they wish to smoke. I do not say to anybody that they cannot smoke, but when it comes to a question of arguing the point about whether smokers' rights or non-smokers' rights are to take precedence clearly I take the view that non-smokers' rights ought to take precedence.

After my colleague, Mr John Quirke, made his contribution there were contributions by other members in that place including Trish White, who pointed out many of the things that John Quirke had talked about and again recognised that it was a tax. What she also did was indicate the Opposition's disappointment that at that stage there were rumours that the Government would be introducing more amendments the next day. This is where the circus principle again comes in: we not only have a three-ring circus we have the sideshow—the Liberal Party caucus room.

The next day the caucus room was told that the Minister for Health—on this occasion—had decided that it was a good idea to introduce legislation about smoke-free restaurants. The Labor Party does not get all the information that comes out of the caucus room, but there was a riot. The next day (5 March) the Bill was again debated in the House of Assembly and a whole raft of amendments were introduced. From time to time amendments are introduced into this place—and we have no objection to that, as it is part of the system—but what usually happens is that the Government, even if it does not have the courtesy to consult with the Opposition before it makes major changes, consults with industry.

That session of the Parliament went all night and there was never any explanation as to why there could not be consultation. The new provision introduced on 5 March sought not only to introduce these smoke-free areas but it set a date after 1 January 1999. There was hardly a pressing need for the Government to defy all the conventions of the Parliament and to completely ignore the consultation process. During the all-night session the Government looked like a rabble with its own members crossing the floor and with amendments moved from the floor. Mr Mark Brindal moved amendments which were crashed. Mr Sam Bass made an extended contribution and Heini Becker made a number of contributions. Mr Sam Bass pointed out, damningly for his own Party, that he was ashamed that the Liberal Party had not consulted with industry and had tried to rush these amendments through. Continually my colleague, the Hon. Frank Blevins, and others asked why we could not have had these amendments for at least one caucus meeting of the Australian Labor Party so that we could consider them—and there was never at any stage a sensible answer given as to why we could not have had them.

After that my colleagues, Mike Rann and Terry Cameron, wrote to licensees throughout South Australia and endeavoured to get a snapshot across the State, bearing in mind that

there are various configurations of hotels and clubs throughout South Australia. Some have three bars and a dining room, and some of the country pubs only have one area where you can either eat or drink. It is a sensible proposition that we give everybody the opportunity to be consulted and express a point of view. Before that could happen we heard that not only had Stephen Baker dropped out of the exercise—he was no longer carrying the Bill—and the Hon. Dr Armitage was not carrying the Bill, but a third person, the new Deputy Premier, Mr Ingerson, was carrying the Bill and had been conducting the negotiations with principal players over the past couple of days.

**The Hon. Anne Levy:** Will it be Olsen tomorrow?

**The Hon. R.R. ROBERTS:** I don't know whom it will be tomorrow: it could be anybody from the strongman to the fat lady. Last week my colleague, the shadow Minister for Health, in trying to sort out her position on this Bill, spoke to the Democrats—and this is where the sideshow comes in. The Democrats were appalled that no consultation had taken place, and we had letters from different groups—the licensed clubs and Hotels Association and others—saying that they wanted more consultation and that they were opposed to it.

We were somewhat heartened when the Democrats were indicating that they also wanted to have consultation. But we were telephoned late last week—and we know why: we know that the tobacco lobby has been here and we know that Nick Greiner has been here talking to members opposite. They know who they are, but I will not embarrass them by naming them tonight unless I am provoked. The Minister for Health was starting to panic: Mr Ingerson did not come into it until later in the production. To our great disappointment we were advised that the Democrats had agreed that they would put this Bill through this week. I do not condemn the Hon. Sandra Kanck because she has a proper commitment to the health and wellbeing of workers and people in the tourism industry. I am disappointed because it is being rushed through, and I am disappointed that the Democrats have decided to comply. I understand why. The Minister for Health is beside himself. He knows that his backbench was folding up on him, that the pressure was coming on, and that support for his proposition was drying up by the minute; yet they had to get this Bill through.

This morning, when we had our Caucus meeting we were in the situation of not knowing what the final position was going to be. We knew that the Democrats had indicated that they would put the Bill through, and we were led to believe that there is agreement on the taxation measures. We are sick and tired of these extra taxes being brought in, and smokers are sick and tired of being taxed senseless under the ruse or disguise that it is being done for health. It is clearly an extra opportunity for the Treasurer to grab some more money. This morning at our Caucus meeting we knew that more discussions had taken place yesterday and we were expecting some direction as to where we would be going. This morning I received some correspondence from the Licensed Clubs Association which stated:

Contrary to what the honourable members of the Legislative Council may have been given to understand, I set out below the position of the Licensed Clubs Association of South Australia Inc. (LCA) with regard to the Tobacco Products Regulation Bill 1997.

1. The LCA is not opposed to a ban on smoking in defined restaurant areas (table service) in clubs.
2. Do not support and totally oppose the complete ban on bar areas, gaming areas or bistro areas adjacent to bar areas where meals are being served.
3. Totally oppose the ban in bar areas where counter style meals are served.

At the meeting with the Minister for Health on Friday, 28 February 1997 (at his request) the President of the LCA (Mr H.M. (Max) Beck) and myself conveyed the above points to the Minister.

His response, as it affected licensed clubs, was as follows:

- (a) Did not see need for total ban in bars, gaming areas, bistros, etc—his view was that counter style meals in those areas could be served—no need to have the bar area as a designated eating area.
- (b) Gave assurance that the club industry would not be disadvantaged by the legislation.

Having now had the opportunity to read the Bill, the LCA is of the opinion that the Minister for Health has conveniently forgotten his assurances given at the meeting on 28 February to the LCA.

1. The current Bill prevents smoking in any area where meals are consumed while seated at a table. Obviously this includes many, if not all, bars. In addition, the trend towards 'open plan' facilities could lead to total bans if some aspects of the Bill are successful.
2. An example of the impact on 'open plan' facilities is that if a dining room/restaurant adjoins a bar or gaming facility and there is no permanent wall (excluding doorways or archways) separating the areas, then a ban would apply to the entire 'open plan' area.
3. We are told that this is unintended. However, it remains in the Bill.

The LCA, on behalf of its 526 member clubs, urges honourable members of the Legislative Council to amend the Tobacco Products Regulation Bill 1997 thus avoiding unnecessary regulations being placed on the licensed club industry in South Australia.

The implementation of such a Bill will impact on employment within the industry and further indicate to the Association's members that the Government, once again, has acted without consulting the industry. The LCA now fully supports the Australian Hotels Association in seeking to have the Bill amended.

That was the latest information that we had received. However, we are trying to determine a position with the knowledge that the Democrats will support the tax measures, and we heard on public radio this morning that the Democrats, with great fanfare, had announced that they were going to move amendments today to hypothecate the taxation. I have been waiting all day for my copy of those particular amendments, but I have not seen them.

**The Hon. Sandra Kanck:** Be patient.

**The Hon. R.R. ROBERTS:** That indication was on the public radio this morning, but we had already determined our fall-back position should we fail in our bid to stop this unfair tax—this extra tax grab. Given that the first Minister in his opening address in circus ring No. 1 assured us that this was all about health and education, we drafted our own amendments which do hypothecate the taxation revenue that will be raised from this particular area. We want to help Stephen Baker and the Minister for Health in his program—because they are interested only in the health of the people of South Australia—by hypothecating that taxation into two principal areas, that is, in education of the young and research into the health effects of tobacco, which would be done in South Australia and which would be conducted by the Health Commission.

*An honourable member interjecting:*

**The Hon. R.R. ROBERTS:** You will do until one comes along—even without your red nose. We later received correspondence, which came from Minister Ingerson's office and which stated that further discussions had taken place today. The letter was sent to Peter Hurley, President of the Australian Hotels Association and states:

I thought I should write to you this morning to set out what I understand is the agreed position in relation to the Tobacco Bill.

Firstly, the overall principle which we have attempted to negotiate in a Restaurant, Licensed Club or Hotel has been that 'where meals are being eaten, smoking is banned'. Using that principle, it is my understanding the following situation has been agreed:

1. Any room or rooms that have been specifically set aside for dining, then smoking is prohibited.
2. In one or more rooms used for dining, then one room or alcove of this/these rooms which is primarily used for serving of drinks will be able to be a smoking area under the new amendments.

**The Hon. T. Crothers:** What if I want a meat pie and sauce?

**The Hon. R.R. ROBERTS:** Well, don't have it with your cigarette. The letter continues:

3. In an enclosed single room in which a bar, lounge, dining and potentially gaming or wagering may occur, the following conditions will need to apply:
  - (a) The dining area will need to be designated (i.e. roped off). In this area smoking will not be allowed when the meals are being consumed. This designated area would have to be separated with at least one metre between it and the bar and/or gaming/wagering area.

I mean, the smoke will certainly respect rope! It continues:

- (b) At the same time as meals are consumed in the designated dining area (a), smoking will be allowed in the remainder of this room, i.e. the bar, lounge or gaming/wagering area, if the following conditions occur:
  - that the room is adequately signed re smoking and non-smoking areas;
  - that the whole room has genuine reverse cycle air-conditioning or an air purification system.

Finally, these new conditions will be introduced into the Bill through an exemption clause in which the Minister will be responsible. It is proposed that the prescribed fee of \$200 will be included for application for exemptions.

This has been signed by the principal players—Mr Ian Horne from the Australian Hotels Association and someone from the South Australian Restaurant Association. Clearly there has been another round of negotiations and another round of consultation. We do not actually know what is going on, but we are expected to come into this place and negotiate these matters.

I indicate at this stage that it is not the Opposition's intentions—and I know there is an agreement—that we will proceed any further than the second reading stage, because the circus continues. Today, when we arrived at Parliament, we received the first draft of amendments in the name of the Minister for Education and Children's Services. They were marked 18 March 2.06 pm. These amendments clearly reflect some of the discussions that took place between those principal players in the hospitality area and refer to ministerial exemptions. I find this somewhat amusing.

I really do have a greater admiration for the member for Unley (Mr Mark Brindal) because, in the contributions in another place, the member for Unley, in his concern for hotels in his constituency, has really shown the power of one. This is the former parliamentary secretary of the Minister for Education and Children's Services. The Minister should not have got rid of him. The Minister for Health was absolutely creamed by the Government when he introduced this. He was also creamed by my parliamentary colleague Frank Blevins during the debate in another place. He is proposing that the Minister has almost untrammelled powers to give an exemption. All the rhetoric about health is now being put aside.

But there is one thing about it which is pleasing. This has been done finally against the protests of the Opposition, the industry itself and, indeed, members of the Liberal Party's own Caucus. This Government has been dragged kicking and screaming, because it wants to avoid the embarrassment caused by this three ringed circus. It wants to stop the pain because it cannot go on with this particular shambles and does not want any more embarrassment.

Now, for the first time, we have had consultation, although the Opposition was left right out of that consultation. That is a shame, because the only people who have been involved in the consultation process, after the Minister heard on the Julia Lester show that really important issue—the ‘O God school of management’—O God, that is a good idea. Julia Lester talked about it this morning; we have to do it. So, we have this rushed in without any consultation with the Opposition.

The circus continues when later on today we find the Minister for Education and Children’s Services again has introduced another round of amendments, unseen. These amendments to clause 7 refer to the average tar content, the number of milligrams, and this is the key to the taxation. I have the amendments in front of me. I have some questions about them, but I will leave those to the Committee stage. We have amendments on amendments. This whole thing has been done on the run. Every time the Liberal Party had a Caucus meeting, we have had a changed position.

**The Hon. Anne Levy:** Are they meeting tomorrow?

**The Hon. R.R. ROBERTS:** They will meet again tomorrow and we will probably have another raft of amendments. I really do wish the Democrats would lodge their very worthwhile amendments in this place so finally the Opposition could look at this proposal. We have actually accepted the inevitability of this situation, as the Democrats have said they will support the Bill in its general principles and will support the taxation measures.

I have lodged amendments today which refer to hypothecating those particular funds to the Health Commission for the purposes of youth education and medical research into the effects of tobacco in South Australia. I anticipate that the Government will oppose those amendments on the basis it will say it does not agree with hypothecation. The licence fees already within this Act have determined where they will go. Some of the things the Government is doing involve Living Health—the Quit campaign as most of us will remember it—so it is not a principle.

The Treasurer was not fair dinkum when he came into the Parliament and said this was a health issue. The Minister for Health (Dr Armitage) was not fair dinkum when he said he was about reducing the number of people smoking and educating young people as to the effects of smoking. Clearly it has been shown throughout the world that the best place to reduce the incidence of smoking is by educating the young. Despite the money put into these campaigns over the years, we have not made a very big dent in the smoking population in South Australia. Clearly, more needs to be done. Better targeting needs to be carried out. We are suggesting it ought to be done in the education of the young and in health research.

As I say, the Bill now is almost assured of passing, with the support of the Democrats. The Democrats have indicated that they agree with hypothecation and the dedication of those moneys to worthwhile means. I hope that the Democrats can see their way to supporting the proposition put forward by the Australian Labor Party. I certainly encourage them to put their amendments forward and we will see where they match ours and, I believe, despite the inane interjections by the Leader of the Government opposite, there is room for consultation and cooperation. I believe that the Hon. Sandra Kanck is committed to a reduction in smoking and better health standards for South Australians. I think there is room for cooperation between the Opposition and the Democrats at least in the dedication of this tax grab, this undisguised tax grab by the Government, which they have to get through

before Friday, despite the fact that the part with respect to restaurants will not come into effect until January 1999.

The reason this is being rammed through this Parliament is to stop the embarrassment of this ramshackle Government in the way it is handling this Bill and, secondly, and most importantly, to get their hands on more money from the lower socioeconomic groups in South Australia. Once again, it is beating smokers around the head trying to tell them they are doing it for their own best interests. If they were fair dinkum about looking after the poor and the needy, they would actually reduce the cost of low tar cigarettes, but it will not do that because it is an undisguised snatch for extra money. It is not about health whatsoever: it is about grabbing money. When the Opposition moves its amendments in Committee it will be looking for the support of the Democrats for the hypothecation issue.

**The Hon. SANDRA KANCK:** This is a very emotional issue. Whether one is a smoker or a non-smoker, everyone seems to have a very strong position and, I guess, in a sense we all have to declare our interests. I am one of those who is a non-smoker and never has been. I was brought up in a very strict Methodist family, where drinking, smoking, swearing and gambling were all no-noes.

**The Hon. T.G. Cameron:** What about sex?

**The Hon. SANDRA KANCK:** I do not think that was. I am one of seven children! I only ever had one experience of consuming cigarettes, and I use the word ‘consuming’ and not ‘smoking’. It occurred when I was 10 years old and my cousin Susan had arrived to spend a week at my grandmother’s place. I hopped on my bicycle and cycled the eight blocks to grandmother’s place, and along the way I found a packet of cigarettes lying alongside the road. They were a little squashed, but I picked them up, and when I saw Susan I said, ‘Look what I’ve found’. I said, ‘Let’s pretend to smoke them.’ My rationale was that it did not make much difference whether you were smoking them or broke pieces off at the end—it had the same effect. My cousin and I walked up and down the laneway beside grandma’s place breaking pieces off those cigarettes bit by bit until we had used up the whole packet; and that was the only time I ‘consumed’ cigarettes.

Apart from that experience, my only other experience has been inhaling the sidestream smoke from other smokers. I have always regarded it as an indecent habit. As I am getting older my tolerance to it is decreasing. I do not actively look for smokers, but I find that when I am in their presence, even before I am aware that a cigarette has been lit, I start to cough these days. If I am forced to be in the presence of that smoke for any length of time, my eyes start to water and progressively dry out, and there is also the problem with the smell on my clothes and having to air them afterwards. I personally regard the smoke from cigarette smokers—

**The Hon. Anne Levy:** Do you wear a mask when you walk down the street?

**The Hon. SANDRA KANCK:** No, generally you don’t get it walking down the street because it wafts away very quickly. The problem is in enclosed spaces.

**The Hon. Anne Levy:** What about all the car fumes you get?

**The Hon. SANDRA KANCK:** They do not have the same effect on my throat and eyes. I certainly regard cigarette smoking in the presence of non-smokers to be a very anti-social and provocative act, particularly when we have the knowledge now about the health consequences of this activity.

As the Hon. Ron Roberts told everyone quite a few times in his speech, the Democrats are supporting this Bill. I have some reservations about it, namely, the haste with which it went through with some of the more recent amendments from the Government. However, I indicate that the Government has been reasonably accommodating. I met last week with the Hon. Mr Lucas and the Minister for Health (Hon. Mr Armitage) to discuss my concerns.

*Members interjecting:*

**The Hon. SANDRA KANCK:** Nothing has been offered at all, but as a consequence—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. SANDRA KANCK:** I wish.

**The Hon. T.G. Cameron:** You'll get it after the election.

**The Hon. SANDRA KANCK:** Did you hear that, Mr Lucas? As a consequence of having those discussions, the Government has made an attempt to meet some of my concerns with some of its amendments. I will also be asking questions during the process of my second reading speech, seeking reassurance on certain aspects of the Bill. As members know, an enormous amount of lobbying has been going on and in the last week a fax campaign has been launched on my office. Without counting but from looking at the height of the pile, I think we have had almost a ream of paper come through the fax, with deli proprietors expressing their concern in a form letter. It does indicate that a degree of concern has been whipped up over this issue.

I am supporting the legislation. I know it will go through reasonably quickly. Despite that haste I am supporting the Bill because we will not be sitting in what was listed as the optional week in April. That means that we would be waiting to consider the Bill through to the end of May. If we had two and a half months I can imagine the lobbying that the tobacco companies would bring in against the wavery backbenchers of the Liberal Party in that time, and I do not want the legislation to fail.

*Members interjecting:*

**The Hon. SANDRA KANCK:** That is the reason: I do not want the legislation to fail. That is a perfectly valid reason. It would fail if two Government backbenchers crossed the floor. I know the numbers, and I do not want that to happen.

*Members interjecting:*

**The Hon. SANDRA KANCK:** Of course they have the right to, but I am going to do my best to ensure that we get it through this week so that that cannot happen. I know the techniques and the dishonesty that the tobacco lobby uses.

*The Hon. T.G. Cameron interjecting:*

**The Hon. SANDRA KANCK:** I remind the Opposition, if it is going to get holier than thou about the passage of this legislation, of the Roxby Downs amendment Bill last year. It was introduced on one day in the House of Assembly and the next sitting day the Opposition passed it and waived a requirement for it to go to a select committee. So, the Opposition had better not talk to me about haste with legislation when it acts that way.

We need to consider the question why we are dealing with this Bill at this time. As everyone recognises, it is combining a Treasury Bill—the Tobacco Products (Licensing) Act 1986—with a health Bill—the Tobacco Products Control Act 1986. Although it did not appear in what the Minister had to say in his second reading explanation, I believe that the current High Court challenge is a motivator in this. The licensing Bill on its own probably would not have stood the

test of a challenge in the High Court, but combined with a Bill that deals with health aspects it will make it look more respectable and certainly make it appear that the taxes are related to health.

I have indicated that I will support the licence fee for tar content, but I signal that this support is dependent on a lot more of the money going into anti-smoking education and promotion and, as the Hon. Ron Roberts has mentioned, I have signalled that I have an amendment, the draft of which I have with me at the moment. In between times I am reading it to ensure that I have it right before I put it on file. I do not know whether it is the same as or different from the Opposition's amendment, but as the Hon. Ron Roberts has said we can look at that and see what is the best we can get out of it.

The Opposition has argued against this measure on the basis that, as the Government when in Opposition promised that there would be no new taxes, the legislation should not go through because the Government is breaking a promise. Personally I believe, felt so at the time and have had it reinforced over the past three and a half years, that it was a stupid promise for the Liberal Opposition at that time to make—it did not need to do it. It was going to get in come what may because of the State Bank, but it made that promise.

As far as the Democrats are concerned it has resulted in a much faster sell-off of our public assets than was taking place under the previous Labor Government. This has been a contributing factor in various privatisation and outsourcing moves that have been undertaken by the current Government. The Opposition's position on this 'no new taxes' argument is pragmatic and is aimed at catching votes. No real principle is involved in it at all.

As to Government's position on this, it is most unfortunate this it is breaking a promise, because it buys into the public perception that you cannot trust a politician, and that does not help any of us here.

In the lead-up to the legislation reaching this Chamber, I met with a representative from the Philip Morris group who presented assorted arguments to me about this new licence fee which I then discussed at the departmental briefing I was given. When I was able to compare the arguments of the tobacco company, I saw that they were definitely not as strong as I had originally thought. I will mention some of those arguments. The Philip Morris representative argued to me that the tax would hurt low income earners the most. This was, he said, because evidence shows that blue collar workers are more likely to be smokers. As I see it, they have a choice of avoiding the tax by buying the lower tar brands, so I do not see this as being a good argument against this new licence fee. Cross border smuggling was the other issue.

*The Hon. R.R. Roberts interjecting:*

**The Hon. SANDRA KANCK:** They probably will smoke twice as many, but they will avoid the tax.

*The Hon. R.R. Roberts interjecting:*

**The Hon. SANDRA KANCK:** Of course they have the option to give up. That is entirely up to them: if they want to keep smoking, that is their choice. The other main argument given by the Philip Morris representative is that this would lead to an increase in cross border smuggling because of the differential in price in South Australia compared to other States. I was given an example of a number of ways in which large amounts of cigarettes could be carted across the border. One example was that of the family station wagon, which could smuggle in 5 556 cartons of cigarettes at a saving of \$7 222 based on the recommended retail price for high tar

cigarettes. That sounds simple, but it begs the question of how a person would go about selling that many cartons of cigarettes without attracting attention to themselves. I spoke to the State Taxation Commissioner about this, and he assured me that their policing policy is very effective. Therefore, I invite the Government to give us feedback to indicate the effectiveness of the policing policy when it comes to bootlegging of cigarettes in this State.

However, one of the arguments from Philip Morris which I thought did have some substance is that the Government's argument that it is recouping health costs is not true. They provided me with a copy of a paper published in the *Australian and New Zealand Journal of Public Health 1996* (Volume 20, No. 6). Entitled 'A cost benefit analysis of the average smoker, a Government perspective', it is written by Christopher M. Doran and Rob W. Sanson-Fisher of the New South Wales Cancer Council Education Research Program, Newcastle, so they are hardly going to be pro-smoking, and by Moira Gordon of the Economics Department of the University of Newcastle. The paper's abstract states:

The aim of this paper was to compare the benefit and costs of cigarette smoking from the Government's perspective during the one year period—

this is the New South Wales Government, I believe—

This was undertaken by estimating among other things the publicly financed health care expenditure attributable to smoking and comparing it with tobacco taxes paid by smokers. This comparison of benefits and costs may provide a yardstick from which to measure the relative worth (in financial terms) an average smoker is to the Government, an assessment that may be important when assessing health priorities and any level of commitment to reducing smoking rates. It is estimated that in 1989-90 an average smoker cost the Government \$203.57, while benefits received totalled an average of \$620.56 in the same year. If the Government were serious about addressing cigarette smoking as a primary health objective, its efforts would portray this. The results of this analysis suggest that the objective of raising revenue from smoking is more of a priority than reducing smoking rates.

The inquiries I made following my reading of that article indicated that it is the same for South Australia and, as a consequence of that information, I wrote to the Treasurer (Hon. Stephen Baker), expressing my concern that his speech introducing the Bill into the House of Assembly contained the following statement:

... in an attempt to recover from smokers of high tar products some of the costs incurred by the public health system in treating persons suffering from tobacco related illness, it is proposed to introduce a three-tiered licence fee.

If that is the rationale for the tar tax, it falls flat on its face, and I suggested to the Treasurer, when I wrote to him, that there ought to be other reasons with greater validity, because there certainly are plenty of them. The Treasurer has replied to me, but sadly he has not taken any notice because the identical words were used in the second reading introduction of the Bill to this Chamber. I refer to part of the Treasurer's reply to me, because he states:

Nevertheless, in relation to the issue you have raised it is relevant to point out that Living Health currently receives the equivalent of 5.5 per cent from the proceeds of tobacco tax revenue. Living Health will automatically share in any additional revenue raised from a differential tar based tax structure because its percentage share of tobacco tax receipts remains unchanged. The actual use made of additional funds received by Living Health will be for that organisation to determine in consultation with the Minister for Health. It is relevant to note that Living Health annually spends about \$560 000 on anti-smoking, mainly through the Quit campaign. Additional funding from tobacco tax receipts could be used to support a wide range of initiatives promoted by Living Health, including anti-smoking.

That was an interesting letter, but it failed to address that quite fundamental question of the rationale given by the

Government to introduce this legislation in the first place and how it does not relate to the facts. However, Stephen Baker's letter does allow me to bring in criticism of Living Health that has been made by other people. In fact, I noticed in reading the Assembly *Hansard* that heaps were poured on Living Health, and certainly the name 'Living Health' gives no anti-smoking message at all.

I am grateful that Living Health is able to sponsor some very worthwhile projects. One of the things that it will be sponsoring towards the end of 1998 will be the performances of Wagner's Ring Cycle, but what difference will it make? It might have 'Living Health' written on the program, but I bet that the smokers in the audience will still go out at interval and light up their cigarettes outside. One must wonder at this justification that the Treasurer has given to me.

Another of the concerns that I raised last week with the Hon. Mr Lucas and the Hon. Dr Armitage was raised with me by Mr Tunney from Tunney's Tobacconists: 60 per cent of his business is dependent on the imported products that are not labelled. As the Bill currently stands, it is a bit like having your tax file number and, if you do not lodge the tax file number, it is assumed that you are cheating and you will therefore be taxed at the maximum rate. Similarly, if you are importing tobacco products, it is assumed that it must be at the highest tar rate and therefore they will be taxed at 105 per cent.

*The Hon. Anne Levy interjecting:*

**The Hon. SANDRA KANCK:** Yes, that is quite ridiculous. I did raise with Dr Armitage the question of what proof the Government had that these products would be in the high tar category. I specifically remember a few years ago Dr David Topping, from the CSIRO Division of Human Nutrition, saying that the roll your own, cigars and pipe tobaccos were the least offensive of the various products that people smoked because they do not contain all the added chemicals that are in the pre-packaged variety. He demonstrated to me by lighting a roll your own cigarette and a manufactured one what the difference was. The roll your own kept on going out and had to be constantly re-lit. However, the manufactured cigarette just stood up on its end and continued to burn the whole way down because it contained the chemicals—the accelerants—that would make it stay alight. As much as anything else, these are probably a contributing factor to the health costs involved in smoking cigarettes.

I would therefore like the Government to tell me what proof it has that allows it to assume that the highest—and not, for instance, the lowest—category applies. Certainly, I would like to think that if you have no proof either way at least you should go for the middle ground and not the highest. It will be interesting to see what the Government has to say on that.

The tobacco lobby is always a very interesting group with which to deal. As I said, I met with a representative from Philip Morris and I was then approached by Rothmans. My response to Rothmans was that I did not think there was any value in a meeting unless it had anything to say that was different from Philip Morris. I was approached again by Rothmans yesterday afternoon, and my staff passed on the message that if it had anything new to say it should put it to me in writing, which it did. That letter arrived by fax yesterday afternoon after I had left the office, so effectively I received it this morning. The letter includes a legal opinion about the new licence fee from Rothmans' lawyers, Clayton Utz. Although the letter is a little laboured, I will read it all because I would very much appreciate a comment from the

Government on what these lawyers say. The letter is addressed to Mr Adrian Lucchese, Legal Counsel, Rothmans of Pall Mall, South Granville, New South Wales. It states:

Dear Mr Lucchese,  
South Australian Tobacco Licence Fee Legislation.

We refer to your recent inquiries regarding the proposed Tobacco Products Regulation Bill 1997 ('the proposed draft Bill'). In summary, under the proposed draft Bill:

- Rothmans will be required to hold a tobacco merchant's licence, but it may not be necessary for it to apply for a class A licence and pay *ad valorem* licence fees based on the value of tobacco products sold.
- Rothmans could elect to apply for a class B licence and pay a fee of \$2 multiplied by the number of months in the period for which the licence is to be in force or \$10, whichever is the lesser.
- If wholesale tobacco merchants hold class B licences, retailers might also apply for class B licences, whereupon a statutory declaration will be required for retail sales and consumers will have to apply for consumption licences.

The proposed draft Bill introduces some major changes in South Australia. One of these changes is to be found in clause 11, which requires tobacco merchants to hold a licence. Tobacco merchandising is defined to include the sale or purchase of tobacco products by wholesale or the sale of tobacco products by retail. Accordingly, both wholesale and retail tobacco merchants will need to reconsider their position if they previously elected to conduct their business as unlicensed tobacco merchants under the existing legislation.

The proposed draft Bill appears to place primary responsibility for licence fees upon the consumer. Clause 9 makes it an offence for a person to consume a tobacco product unless they hold a consumption licence or unless the tobacco product was obtained from the holder of a class A tobacco merchant's licence. Under the proposed draft Bill, there are three categories of tobacco merchant's licence:

- (a) an unrestricted class A licence, which is not subject to any specific conditions except those relating to the payment of *ad valorem* fees;
- (b) a restricted class A licence which is subject to a condition that the licensee must not, during the period for which the licence remains in force:
  - sell tobacco products except tobacco products purchased from the holder of a class A licence; or
  - purchase tobacco products for sale, except from the holder of a class A licence;
- (c) a class B licence, which requires the licensee in respect of retail sales to obtain from purchasers statutory declarations prescribed by schedule 1.

Unrestricted class A licences are subject to a fee calculated on the value of tobacco sold. Restricted class A licences and class B licences are subject to a fee of \$2 multiplied by the number of months in the period for which the licence is to be in force or \$10, whichever is the lesser.

While the proposed draft Bill provides that tobacco merchants may elect to pay *ad valorem* licence fees by obtaining unrestricted class A licences, it also contemplates a scheme whereby licence fees are primarily collected from and payable by consumers. Accordingly, if the proposed draft Bill becomes law, Rothmans will be entitled to conduct its business as a tobacco merchant by applying for a class B licence. If wholesale tobacco merchants hold class B licences, retailers are also likely to apply for class B licences. If this occurs, *ad valorem* licence fees will not be recovered from wholesalers or retailers and the primary responsibility for the payment of licence fees will be with the consumer, who will be required to apply for and obtain consumption licences.

Should Rothmans apply for a class B licence, then it must submit monthly returns as prescribed by clause 21. It will also be required to display a notice in its premises in accordance with clause 23. The requirement that class B licence holders obtain statutory declarations from purchasers (see also clause 22) is limited to retail sales.

Copies of clauses 21, 22 and 23 are attached for your information. Should wholesalers and retailers generally elect to apply for Class B licences, then"

- retailers will be required to obtain statutory declarations in accordance with schedule 1; and
- consumers will have to obtain consumption licences for the fees prescribed by clause 10(2).

*The Hon. Anne Levy interjecting:*

**The Hon. SANDRA KANCK:** Exactly, and I think that is the intention of it. The letter states further:

Should you require any clarification regarding the above, please do not hesitate to contact the writer.

Yours faithfully,

Clayton Utz

Colin Loveday, Partner.

I find this somewhat disturbing and, as I have said, I look forward to a comment from the Government. It is disturbing from the point of view of the techniques that are being used by the tobacco companies in this instance. I know from lobbyists whom I have met from the tobacco retailers that they have known about this tax since October last year. I do not know where they got their information, but they knew from October last year that this would happen, and that means that the tobacco lobby knew about this Bill—

**The Hon. Anne Levy:** Another Liberal leak.

**The Hon. SANDRA KANCK:** That's right—before anyone in this Parliament, other than the Ministers, knew about it. I would like the Minister to advise me how long ago the tobacco industry was formally advised of this legislation and when it actually received a copy of the draft Bill.

**The Hon. Anne Levy:** Which draft.

**The Hon. SANDRA KANCK:** Well, I don't know which draft—that is another interesting question—but I find it quite outrageous that the tobacco industry has known of this legislation in some form at least since October. I do not know exactly how long it has had the draft Bill, but I hope the Minister can tell me that. As I said, this letter was dated 14 March, which is only four days ago, but only now has the industry produced a legal opinion. That action suggests to me that it will do its darnedest to make the consumer jump in on this issue and therefore put more pressure on the Government to abandon the whole concept of this fee. I find it most unbelievable that it is prepared to resort to those sorts of tactics, and I believe that it is a ploy to hold up the Bill. It is designed so that more time can be given and more pressure put on to the Government backbenchers.

I will place on file some amendments about the tar tax, as I indicated earlier, because I believe that the money raised by such a tax should go to health. Even if people switch to smoking a low tar cigarette, they will probably end up smoking more cigarettes to get their nicotine fix, so there will not be any health outcome—and health outcomes are what I am particularly concerned about.

*The Hon. Anne Levy interjecting:*

**The Hon. SANDRA KANCK:** Yes, but they smoke more to make up the nicotine to get the fix.

*The Hon. Anne Levy interjecting:*

**The Hon. SANDRA KANCK:** They are correlated. It is not a direct relationship, but they are certainly correlated. Current spending on anti-smoking campaigns is woefully inadequate. If we can prevent children taking up smoking in the first place, we will all be far better off. However, it is also acknowledged by people who work in this field that you will not stop children smoking unless you stop adults smoking. I would like to read a quote from Stephen Woodward, a consultant, in a submission to the Anti-Cancer Foundation on the threats and opportunities to reduce tobacco-caused disease in South Australia. He says:

A child who begins smoking at less than 15 years of age is about 18 times more likely to die from lung cancer than someone who never smokes and three times more likely to die of lung cancer compared with someone who starts smoking aged 25 or more years. With figures like that, I believe it is vital that we do everything in our power to promote healthy habits to stop people from smoking.



Unfortunately, despite that sort of evidence, South Australia's Quit campaign, according to the Treasurer in the letter he wrote to me last week, gets \$560 000 per annum to fight the good fight. By comparison, the Northern Territory, which has one-fifth of South Australia's population, gets \$500 000. So, they are only \$60 000 short of us, with one-fifth of the population. Western Australia sets aside \$2 million for their Quit campaign and, not surprisingly, they have had the largest reduction in smoking rates. The overseas experience also shows that if you put money into these campaigns it does make a difference. In the late 1980s, Proposition 99 was passed by referendum in California. This required the Government to increase tobacco taxes, and then 20 per cent of the increased revenue had to be set aside for anti-smoking campaigns. Since those measures were put into operation in 1989, male smoking rates have dropped by 18.5 per cent—as compared to a 5.6 per cent decrease in South Australia for the same time—and female smoking rates have dropped by 28.7 per cent—as compared to a .9 per cent increase in South Australia.

In the book *Tobacco in Australia* by Winstanley, Woodward and Walker it states:

It would appear from several measures that the expenditure on SA Quit activities is simply too small to have an effect and an expenditure in South Australia in the order of \$2.90 per person, or \$4 million annually could produce falls in consumption and prevalence as observed in California.

The Treasurer is on record in the House of Assembly as saying that this new licence fee will raise \$4 million to \$5 million, which is absolutely consistent with the recommended \$4 million figure given by Winstanley, Woodward and Walker. So, the acceptance of amendments—whether they be mine or the Opposition's—by the Government will put to the test whether or not this Bill is a health Bill or a revenue-raising Bill. For the time being, at least, I am prepared to accept that it is a health Bill and I will couch my arguments in the same terms unless I am proved wrong.

I turn now to the issue of smoking in restaurants. While a majority of restaurants in Adelaide now appear to provide separate smoking and non-smoking areas, or have good air extraction systems—

**The Hon. Anne Levy:** Or non-smoking.

**The Hon. SANDRA KANCK:** There are a few non-smoking ones.

**The Hon. Anne Levy:** There are a lot of 100 per cent non-smoking ones.

**The Hon. SANDRA KANCK:** I would not regard it as a lot. The Hon. Miss Levy might experience it as a lot because she is a smoker—

**The Hon. Anne Levy:** Give me a list of the ones which are not.

**The Hon. SANDRA KANCK:** That are not total non-smoking?

**The Hon. Anne Levy:** Yes.

**The Hon. SANDRA KANCK:** I am not prepared to give the Hon. Miss Levy a list, but—

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

**The Hon. SANDRA KANCK:** I certainly know that I experience cigarette smoke in a number of restaurants that I go to.

**The Hon. Anne Levy:** Tell me which ones.

**The Hon. SANDRA KANCK:** And you will go to them?

**The Hon. Anne Levy:** Yes.

**The Hon. SANDRA KANCK:** If you come and talk to me afterwards I will tell you the latest ones I have been to

where I have experienced cigarette smoke. However, I do occasionally make the mistake of going into a restaurant and asking for a non-smoking area and finding that I am back-to-back with a smoking area, or there is not an adequate air-conditioning system and it simply redistributes the cigarette smoke. Sometimes I will go into a restaurant that does not have a separate smoking area and find a table that is on its own and I say to my husband, 'Okay, this one is on its own; we are going to be safe', but someone comes along later and lights up and, before you know it, you are getting cigarette smoke with your food. There has been more than one occasion where I have left a restaurant rather than order a dessert or coffee because I have found it so unpleasant. I believe in fact that restaurants have been losing trade as a result of having smoking in their restaurants. I know that some restaurant and cafe proprietors have expressed dismay at this move. More of the pressure has come, though, from the licensed clubs than from the restaurants and cafes. However, I believe it is a forward move.

The South Australian branch of the AMA recently surveyed 625 patients about smoking in restaurants and it found that 82 per cent of the patients supported a ban on smoking in restaurants. And while 14 per cent of those 625 people were smokers, even within that grouping 55 per cent of them supported the ban.

**The Hon. Anne Levy:** That is interesting: only 14 per cent were smokers, yet 27 per cent of the population are smokers. That means smokers go less often to the doctor.

**The Hon. SANDRA KANCK:** That sounds like a tobacco lobby argument.

**The Hon. Anne Levy:** No. It is true, isn't it?

**The Hon. SANDRA KANCK:** It is an interesting interpretation. It is not one I accept, but it is one—

**The Hon. Anne Levy:** What interpretation do you put on it? Smokers are under-represented.

**The Hon. SANDRA KANCK:** They are probably already in hospital, or they were too busy coughing to be able to get there. However, I do not believe that smokers will stop going to restaurants as a—

**An honourable member:** They are already dead.

**The Hon. SANDRA KANCK:** They are already dead, that is right.

**The Hon. Anne Levy:** No, only living ones are counted in these figures.

**The Hon. SANDRA KANCK:** But they did not turn up to the doctor because they were already dead.

**The Hon. Anne Levy:** Then they would not be in the figure of the 27 per cent who smoke.

**The Hon. SANDRA KANCK:** Anyhow, I am not going to labour that point.

*The Hon. Anne Levy interjecting:*

**The Hon. SANDRA KANCK:** I have not attempted to try and give an explanation for it. As I say, the Hon. Ms Levy's argument is a very interesting one, and one that I believe the tobacco lobby would really love. We only have to look at the ban that was placed on people flying in planes and smoking. The world has not fallen apart as a consequence of that move. What has happened is that people who smoke and who fly in planes simply have to wait until they get to the next airport before they can get their fix. I am aware that there are many smokers who want to give up, but who are addicted, and they welcome these impositions being placed on them because it is one way that they get to smoke fewer cigarettes in a day.

A friend of mine has had a complete lung transplant and she cannot go anywhere where there might even be a smidgin of cigarette smoke. She told me that she would welcome a total ban on smoking in all public places because, in her case, her very survival depends on it. I believe members should consider the increasing number of young people in our community with asthma, and we surely should be taking action that is going to assist in reducing the provocation of such medical conditions. Even if one chooses to believe the flat earth scientists that the tobacco companies employ, or fund, who continue to try to tell us that sidestream tobacco smoke is not harmful, I have to say that the relief that is provided to the 70 per cent of the population who are non-smokers who suffer from smarting eyes and coughing and having to get rid of the smoke smell on their clothes is alone justification enough for these measures.

I notice also that there is an environmental component to this and that comes through a report released by Clean Up Australia last month which showed that cigarette butts, packaging and discarded lighters make up almost 12 per cent of rubbish in this country. It only goes to show to me what a disgusting habit it is. Go past any Government department and look outside the door where the smokers come out for their smoko and you see all of the trampled cigarette butts out on the footpath. It is really disgusting. So, again, I believe that any moves that we can make to deter smokers from lighting up can only be applauded.

A couple of examples have been raised with me about the unintended impacts of this ban on smoking in eating places, one being at the Hilton Hotel. The Grange restaurant does not have a wall dividing it from the main lobby area on the ground floor, which, because of this legislation, effectively means that, if this is to be applied in the Hilton Hotel, no-one can smoke in that lobby or lounge area because the smoke might go into the Grange restaurant. I do not believe that that was the Government's intention but it is an unintended consequence.

Another example concerns Jarmers restaurant: being in an old cottage it has a separate bar area and has had a no-smoking policy for years within the eating area, but people who did want to smoke could go into the bar area, which was a separate room. Its understanding of the legislation is that, because the whole premises is licensed as a restaurant, despite having had a socially and environmentally responsible policy for many years, it will no longer be able to offer that opportunity to cigarette smokers.

The Australian Hotels Association is another of the groups which lobbied me. It sent me a fax with its interpretation of aspects of clause 47, as follows:

Clause 47(1)—'enclosed public or dining cafe area' means. . .

This definition ensures that any area in a hotel or club that serves 'meals' is caught by the ban. This includes 'open plan' venues even with the 'restaurant' on a mezzanine floor, eg, no permanent walls. This is the case with the Hilton. It continues:

It captures not just the primary eating area, eg, the restaurant or dining room area, but most, if not all, bars-lounges which serve 'meals' at tables.

Clause 47(3)(a)—does not apply to. . . (exemptions)

(a) This applies to the non-dining area or area not set aside primarily for eating of meals and only allows one bar with 'meals' to be exempt if other bars-lounges that provide meals are smoke free. Therefore, if a venue continues to provide meals in bars-lounges in addition to the primary eating area then only one bar-lounge can allow smoking or the venue will have to stop serving meals. This assumes a venue has more than one bar or lounge in addition to its primary 'eating area'. If it has only a bar and serves meals then that bar must be smoke free. . .

(e) Provides exemptions to single room or area facilities—that exemption is removed in clause 4 if meals are available or being consumed.

Clause 47(4)

This clause catches all single rooms or area facilities as per (e). (Hotels, taverns, clubs)—in these circumstances no-one can smoke at a bar or in a gaming area when a meal is consumed or is available—even if the meal is available or consumed on a mezzanine or at the far end on the 'open plan' area.

These were issues I raised last week when I met with the Hon. Mr Lucas and Dr Armitage. I asked them whether they would be able to find a way to accommodate establishments which are being imposed on accidentally in this way, and I look forward to hearing what the Government has to say about this.

This Bill is designed to stop smoking in eating places; it is not designed to stop smoking in public places. I support any moves to ban smoking in public places—but that is not the Government's avowed intention in this part of the Bill and I think it is unfair to do it by stealth. When the Government does introduce a Bill to ban smoking in public places—that is, if it is prepared to do it—

**The Hon. Carolyn Pickles:** Including Parliament House?

**The Hon. SANDRA KANCK:** That would be exciting—the Democrats will be a very firm supporter of such legislation, if and should it come. I am certain that the Government did not intend that the Bill should have that effect with regard to the examples I have raised. It is unfair to single out some public places and not others. I have another query in relation to that clause. I wonder why section 47 is being given until the first Monday in January 1999 to come into effect? That will be 22 months after this Bill has passed. If, for instance, a restaurant does have to make architectural alterations as a consequence of the legislation it surely will not take 22 months to do it.

One issue that has been raised in lobbying with me has been the effect on small business. Last Thursday in the *Advertiser* there was a full page advertisement which read:

An appeal to the Democrats. . . this is your chance to stand by small business. The State Government's proposed new tobacco tax will disadvantage our local retailers. By increasing tobacco tax, raising the tax up to 105 per cent, it will encourage cross border trade in cigarettes and ultimately affect the livelihood of retailers. It will also reduce Government tax revenue, not increase it.

As if they have that as one of their motivators. It continues:

All this at a time when doing business is hard enough. And even more jobs could be lost. The Democrats have the chance to stand by retailers by opposing this tax next week.

It is signed John Tunney, President, South Australian Tobacco Retailers Association Inc and states in big words at the bottom: 'We are counting on you!' That prompted a fax to come from the Australian Small Business Association which stated:

The Australian Small Business Association notes the full page advertisement in the *Advertiser* of Thursday, 13 March 1997, calling for the Australian Democrats to support small business by rejecting the recently introduced Tobacco Products Regulation Bill. The Australian Small Business Association feels that this is a matter which directly affects such trade groups as the tobacco industry, the hoteliers and the restaurateurs, or is the subject of personal opinion or preference. Accordingly, the Australian Small Business Association wishes to make it known that, as a representative body for small business, they have no position on this matter.

I thought it worthwhile to put that comment from ASBA on the record. Obviously the Democrats have a concern for small business, which is why I have raised particular issues with the Government that I believe will impact on it. Ultimately, though, there is a choice that we have to make—whether or not we are on the side of health, and I am on the side of health.

I now turn to clause 38 and the issue of the selling of tobacco products to children. I note that as the Bill currently stands it disadvantages small retailers compared to the chain stores. If one looks at clause 38(5)(a) and compares it with clause 38(5)(b) one will see that a small retailer can have their licence disqualified for selling tobacco to a minor and would then have to go through the process of reapplying for their licence, and they could at that point be judged to be not a fit and proper person. The chain store, by comparison, gets treatment that is very advantageous—they will not have their licence disqualified; effectively it is suspended and, at the end of the time period that the court imposes they automatically will be able to resume their trading in tobacco products.

I am curious to know why the Government has given this advantage to the chain stores. Where does a franchise group such as Smokemart fit in? At the moment I understand that it has more than 30 outlets around the city, and if one of them sells cigarettes to a minor and is caught will it be in the category that would have the court suspend rather than disqualify its licence? If that is the case, is it the Government's intention that it be so—and, if so, I would like it to explain why.

Large numbers of people under 18 are smoking in this State. I will not go into detail about that now: I will provide more detail about it during the Committee stage. I would like the Government to provide some information about how many licensed retailers have been caught and had their licence either suspended or disqualified in each year since 1988 in South Australia.

My intention is to strengthen the legislation on this particular clause. I do not believe that we can have any sympathy for anyone who knowingly sells what are drugs to people who are under age. As a consequence, I am doing a number of things in relation to clause 38. Where it says that the court 'may' impose these particular penalties, I will be altering it to 'must'. I also think that the maximum six months is not enough and I am proposing that we increase that to 'up to four years'.

Unless the Government can provide me with convincing arguments against it in terms of the questions I have just asked, I will be moving to take away that discrimination between the small retailer and the chains. I will also be requiring that the person or proprietor who is responsible for the sale of tobacco be required to take reasonable steps to ascertain that the person is over 18. I was considering making it tougher than that because I was a little concerned that, if I put in a provision requiring that they take reasonable steps, someone who had sold them to a minor might say, 'I asked them if they were over 18 and they said "yes".' However, I understand that 'taking reasonable steps' encompasses more than that.

I will also introduce expiation fees. When we receive answers to my questions, my suspicion is that we will find that very few prosecutions have taken place against people who have sold tobacco products to minors. We must find a way that will encourage a greater amount of policing and, as a consequence, I will be proposing amendments to provide an expiation fee which local government would be able to collect and keep in their coffers, which would be a real incentive for it to be policed. I will also propose a 'two strikes and you are out' situation here: you get one opportunity to pay an expiation fee, but if you are caught a second time selling tobacco products to minors then it would result in disqualification. I am going even further on this: if the person buying cigarettes is under 13, then we throw the book at the

seller and there would be no opportunity to pay an expiation fee.

I will not continue to labour the points. It is a big issue and I could talk for a lot longer, but I do indicate that I believe that this legislation is a step in the right direction. To my mind it is probably not tough enough, but I indicate that I support the second reading and look forward to support for my amendments.

**The Hon. J.C. IRWIN:** I begin with two declarations: first, I hold shares or members of my direct family hold shares in companies which benefit from the sale of tobacco and, secondly, I am a smoker. We all know that the legislation before us has had an interesting gestation period and that has been outlined by other speakers. In short, we have a Bill covering a tobacco tax and trying to achieve smoking free dining areas by early 1999. A double headed whammy or, if you like, a double headed nanny. I do not have a great problem with a smoke free eating environment for those who want that atmosphere. I cannot make up my mind as to whether this legislation is for health reasons or for smell reasons. Quite clearly, smell is a problem and I freely acknowledge that. I have had the same experience at the opposite end of the spectrum from the Hon. Sandra Kanck: when my wife and I go to a restaurant and we ask for a smoking area, we are embarrassed if we are put anywhere near people who get up and move away as soon as we sit down. Do not think that only non-smokers get embarrassed. If there is some embarrassment left in the world, then we feel it, but we want a fair go in the eating environment of Adelaide, the same as anyone else.

If members are honest about the legislation, leaving aside the tax element for the moment, then we should set out to achieve conditions acceptable to both smokers and non-smokers. But I am damned if I know what has happened to the notion of anti-discrimination. When it becomes this sort of issue, it seems to be thrown out of the window conveniently. When we talk about the embarrassment of walking into any building, even into this building, and having to go through a smoke haze, that is not the problem of smokers: it is the problem of the people whose job it is—and it may become our job—to ensure that every work area has a smoking area so that members of the public who do not want to walk through a smoke haze as they enter a building, do not have to. It is not our fault; we are forced out there. It is about time people put on their thinking caps and made it easier and sensible for both sides of this argument. With a legal product, it will continue whether we like it or not. The notion of discrimination ought to enter this debate somewhere along the line with people who I would hope to be fair.

**The Hon. Anne Levy:** If they do not like cigarette butts, they should supply ashtrays.

**The Hon. Sandra Kanck:** Why should non-smokers bear the cost?

**The Hon. J.C. IRWIN:** The smokers would be prepared to bear the cost. That is a very small contribution on that issue. As I understand the proposed Government amendments, there is a small movement towards addressing my concerns. However, they do not encourage self-regulation and they do not seek to treat two sets of clients with fairness. There are similarities to the 1988 legislation which was introduced by the then Government and the Minister in this place, Dr Cornwall. He introduced legislation without any supporting evidence, except to say that tobacco is killing our kids. That was the line thrown across the Chamber. I have not

been given one example of smoking killing a kid—not one. No-one in the world has shown me that example yet, but that is a good throwaway line: ‘You are killing the kids.’ That was an incorrect statement in 1988 and it is still incorrect, unless someone can show me some evidence.

I first started thinking and looking at research around this subject, with an obvious interest in it, to put the other side in 1988. I do not revisit the subject very often. In fact, it is now nearly 10 years so, if you like, I am having my nine-year itch in this instance as far as getting some things off my chest about the way this argument goes in this country. I may have only average or below average intelligence. Even with that limitation, and my perceived responsibility to the people of South Australia as one of their representatives in this Parliament to put both sides of an argument, I just cannot let the debate go on without putting certain arguments back into the debate.

It is really sad that no substantiated facts or figures have been given by the Minister for Health—as there were none in 1988—except death rates and costs associated with smoking. As I showed in 1988—and I have never had it addressed by anyone from a Government position—and will show again now, those figures given by the Ministers in this sort of debate are meaningless when you think about it. They are absolutely and totally meaningless. I have done only the most elementary research but I hope, at the very least, I can stir some fair-minded investigative experts into doing proper long-term balanced research. Research on the effects of cigarette smoke, passive or otherwise, does not come via, for example, McGregor Marketing asking a sample of people what they think: that is not proper research in this area and I will show that later.

I ask for only one internationally accepted study to support the 1988 legislation and the legislation now before us. I might add that the taxation part of this legislation is a world first. This is the only Government that I know of in the world that has ever tried to legislate in the way it is trying to do here: by an excise or tax differential, it is encouraging smokers to move from a high tar content cigarette to a low tar content one.

As I said, nanny knows best, and I find it truly amazing that nanny is encouraging smokers and prospective smokers to move from a high tar cigarette to a low tar cigarette or, in the case of those just starting to smoke, to start with a low tar cigarette. It is different from alcohol, as the move to low alcohol beer is simply a matter of brewing less alcohol. With the move to a low tar nicotine content of cigarettes, there is every reason to believe that tobacco companies are using chemical substitutes and/or additives to achieve the low tar status.

In my limited time to research, I came across an article in the *Advertiser* of 1 February 1997 headed, ‘Smokers of Light Cigarettes get Double Dose of Nicotine’. The article states:

Cigarette smokers are getting as much as twice the tar and nicotine they expect when smoking so-called light or ultra light cigarettes, according to testimony at a public hearing in Boston on cigarette contents. ‘Unfortunately, these consumers are not getting what they pay for. They are getting a lot more tar and nicotine than they pay for,’ Mr Jack Henningfield, a Johns Hopkin Medical School researcher, told a Massachusetts Department of Public Health panel.

The Massachusetts hearings are part of a process to design regulations that will require all companies which sell cigarettes and smokeless tobacco in the States to disclose the ingredients of each brand by 1 July. ‘Two-thirds of the cigarettes sold in the US fall into what the tobacco industry calls light or ultra light categories, and most consumers believe that means less tar and nicotine,’ Mr Henningfield said.

The department also released a report commissioned from a Canadian laboratory that compared 10 common US cigarette brands. The Kitchener Labstat Report measured tar, nicotine and carbon monoxide. Using National Cancer Institute test standards, the lab broke the tests into two segments, mimicking average smoking and intense smoking.

The results showed smokers were getting about double the nicotine and tar as compared with standards developed by the US Federal Trade Commission and used by tobacco companies.

Mr David Remes, a lawyer who represents four major tobacco companies, said he was not surprised by the findings. ‘The ratings are not meant to translate intake of nicotine or tar but allow smokers in distinguishing one brand from another,’ he said. ‘Practically everything said this morning has been said a million times. . . it makes good theatre but does not have much to do with improving the statute.’

A week later in the *Advertiser*, another article headed ‘Low Tar Cigarettes Causing a Different Cancer’ stated:

Smokers who switch to low-tar cigarettes are increasingly victims of a different type of cancer—one that reaches deeper into the lungs, a Swiss study has found. Tobacco companies have argued that nicotine levels naturally drop with the lower tar. But United States health officials suggest people smoke them differently, taking more and deeper puffs to satisfy their craving. ‘This is not good news for tobacco products or for public health,’ said Dr Fabio Levi, Professor of Epidemiology at the University of Lausanne in Switzerland. ‘We must be very firm about the dangers of these new types of cigarettes. They are not so light.’ Squamous cell carcinoma and small cell carcinoma, which attack the main trunks of the lungs, are the two types of lung cancer most strongly linked to cigarette smoking. But as people have switched to low-tar cigarettes adenocarcinoma, which attacks the tiny outer branches of the lungs, is becoming the more common pattern. Dr Levi’s study, published in the March edition of the US Journal *Cancer*, looked at 7 423 cancer cases in Switzerland between 1974 and 1984 and found adenocarcinoma more than doubled in both men and women. It found 13.3 of every 100 000 men had the cancer between 1990 and 1994, up from 5.5 per 100 000 between 1974 and 1979.

That article goes on, and I would make the same comment as I do generally about all the statistics that I and other people use. I am not capable of understanding totally the whole of those two articles and what they are trying to tell me. I hope that any research work that is conducted is done on a proper basis. I notice that the second article to which I referred was a 10-year trial. One needs to know much more about it, and experts need to know more about it in order to let me know whether that is a properly set up trial that is designed to give fair results.

No-one seems to know if health problems will be experienced down the track if one smokes an illegal substance, albeit with reduced milligrams of tar. I think it is preposterous for a nanny Government to stick its neck out to lead people to what they consider to be a more acceptable level of tar in a cigarette without knowing the consequences. I read nothing in any of the second reading speeches which told me that the Government does know the consequence of the lower tar to which it is leading people by various means. It does not matter how well meaning the Government’s intention is.

For instance, what is the position with Crown immunity? What about what may be judged to be negligent statements made by Ministers on behalf of the Crown? All these things must be taken into account when considering this legislation. Will the Government be sued if the low tar cigarettes prove to be more dangerous than other levels of tar or nicotine, or combinations thereof, when properly conducted trials have been concluded—not necessarily because of the tar content but, as I mentioned earlier, with other additives that are put into the cigarettes? nanny has encouraged the move: nanny must wear the consequences.

I well remember visiting an ICI plant in the United Kingdom in 1989. It was the world’s largest manufacturer of

CFCs. They were proudly showing me their new product to replace CFCs—remember, this was 1989—when I asked if they could guarantee that there would be no detrimental environmental effect. They said simply that they could not do that. It would take years to ascertain that. Here we are, replacing CFCs with another chemical ingredient, but we still do not know what the result will be 10 years down the track when there may well be more environmental problems from that.

The point is that this world will not do without air-conditioners and all the benefits that come from CFCs or their equivalents, and that is what some people must swallow. As

much as I would love to go back to my farm and come up to Adelaide once a year in a horse and dray, I cannot do that any more. It is exactly the same argument with nuclear power reactors as against coal or a finite resource which is slowly disappearing. We may well improve the environment—and certainly nuclear reactors would improve the environment in relation to the ozone layer. However, if there ever were a disaster, it might be a bigger disaster. The world is not so simple that we can go back to the horse and cart. I now seek leave to have inserted in *Hansard*, without my reading them, two purely statistical tables to which I will refer shortly.

Leave granted.

Average age at death (years) by cause of death of persons aged 35 to 64, Australia

	1980	1986	1991	1995
Malignant neoplasm of respiratory and intrathoracic organs	56.9	57.4	57.4	57.0
Ischaemic heart disease	56.7	57.0	56.9	56.1
All other causes	54.4	54.6	53.9	53.4
All causes	55.3	55.5	54.8	54.2

Average age at death (years) by cause of death, all ages, Australia

	1980	1986	1991	1995
Malignant neoplasm of respiratory and intrathoracic organs	67.0	68.2	69.1	70.1
Ischaemic heart disease	72.5	74.3	76.0	77.4
All other causes	66.3	67.8	69.3	71.0
All causes	68.0	69.6	71.0	72.5

**The Hon. J.C. IRWIN:** In 1984 in the Senate, Senator Peter Ray asked the Minister representing the Minister for Health two questions. I am puzzled by all the discussion that ensues in relation to this sort of legislation. The first question was as follows:

What was the average age of persons who died in 1980 Australia from (a) respiratory cancers; (b) ischaemic heart disease; and (c) all other causes, according to the Australian Bureau of Statistics, measurements and classifications?

The reply indicated that the average age of persons who died in Australia in 1980 from respiratory cancer was 67 years, and the updated figures in the chart to 1995 show that the age is now 70.1 years. For ischaemic heart disease it was 72.5 years, and in 1995 it was 77.4 years. From all other causes, according to the Australian Bureau of Statistics, it was 66.2 years. From that one would deduce that people with ischaemic heart disease live six years longer than people who die of all other causes. I am talking of the average age of death, and we all have to die at some time. The figure for malignant neoplasm against other causes is roughly the same. For all causes the average age of death was 72.5 years.

*The Hon. Carolyn Pickles interjecting:*

**The Hon. J.C. IRWIN:** I will clear up one other point. The figure for children who die before they are one year old is taken out. That accounts for about 1 per cent of deaths in any year. I guess that it is all causes. The second part of the question asked for information on the average age of people who died between the age of 35 and 64 years in 1988 for the same three categories. For category (a)—respiratory cancers—the average age was 56.9 years and in 1995 it went up to 57 years. For category (b)—ischaemic heart disease—the average age of death was 55.12 years, in 1995 it was 56 years, and for all other causes the average was 54.6 in 1980 and that went down to 53.4 in 1994. The Federal Minister of Health (Dr Blewett) finished off the written part of the answer as follows:

A spokesman for the tobacco industry who recently used statistics such as those given above said. . . deaths from disease caused by smoking are not premature. Such deaths are premature, not in the sense that they are concentrated at younger ages but in the sense that they occur in individuals who would otherwise have lived longer.

That is a very debatable point, and I find that postscript to the answer not to be sufficiently conclusive or fulfilling for me to help me decide how that analysis of the question and answer should be answered. Who is to say that those dying from all other causes—the worst group of the lot—should not have lived longer had it not been for some other factor in their lifestyle? The figure for deaths of persons up to the age of one year was 1 449 in 1995 in Australia, or 1.1 per cent of total deaths, and I suggest that that is not a significant factor. I urge the Minister for Health to explain these figures. Why is it simply that smokers live as long as, if not longer than, non-smokers? It is a simple question. Surely and hopefully there is a simple answer that I have missed.

It would be useful to contemplate the post-Vietnam studies in Australia and in the United States regarding the cancer causing effects of Agent Orange. If my memory serves me correctly in relation to discussions on Agent Orange and compensation claims for people returning—some of whom were dying of cancer—studies were done between the people who were in Vietnam and those in exactly the same age group living in Australia who had not been to Vietnam. That is over simplified, but the results from those surveys over a number of years indicated that there was no huge difference, if indeed any, between the people exposed to Agent Orange in Vietnam and those who had lived their lives in Australia.

In addressing the legislation, which refers to the total ban of smoking in restaurants from 1999, I will go back over some material that I used in the Tobacco Products Control Bill debate in 1988. That Bill set up what was called Foundation SA, now Living Health, imposed a State excise on cigarettes to fund the work of Foundation SA and added to

the State's coffers. As part of the so-called health debate in 1988 it was decided by the nanny State that advertising was a major factor in people taking up smoking and continuing to smoke. Many millions of dollars were to be raised by the excise on cigarettes and directed towards, amongst other things, replacing tobacco advertising at all sporting and cultural events and replacing it with health messages. I will return to that point later.

Are any members puzzled by what various sectors of the health professionals and non-professionals tell us about what is best for us? I am told to get more exercise but not in the sun and to drive in a more satisfactory manner. Radiation from visual display units and a glass of wine or flying in an aeroplane will surely kill me if the asbestos in the ceiling does not. I am being threatened by electromagnetic and automatic radiation and energy crisis, the depletion of non-renewable resources, destruction of the environment and holes in the ozone layer. No sensible person could believe all that, if only because the 'anti-this' or the 'anti-that' cults have identified so many ways of dying that all of us should have died more than once by now and because doomsday has had such a poor record so far. I say these things not to trivialise or denigrate the debate, but because the single factors I have mentioned, leaving out many others, will singularly or in combination bring about my death or the death of all of us here at some stage. This is what the Minister for Health said in another place not in the second reading of this Bill but in Committee:

Tobacco kills more South Australians than any other drug, legal or illegal. Unlike alcohol, there is no safe level of tobacco consumption; hence all smokers face potential health risks. Tobacco smoke has been implicated in a wide range of illness, including cancers, ischaemic heart disease, bronchitis, emphysema and stroke. In 1993 an estimated 1 610 persons died in South Australia as a result of tobacco use.

So what! He continues:

Tobacco related deaths account for more deaths than alcohol, all other drugs, motor vehicle accidents, murder, accident, suicide and HIV/AIDS combined. A national survey conducted in 1996 on behalf of the National Campaign against Drug Abuse attempts to qualify the economic cost of alcohol and other drugs used in Australian society. It is estimated that that cost the South Australian community a minimum of \$1.569 million in 1992 and, of that, \$1.061 million can be attributed to tobacco use.

I note in the second reading explanation of the Bill in this Council on 6 March there are only a couple of small references to any of the statistics whatsoever, as follows:

The link between the quantum of tar in tobacco products and the likely adverse impact on health, flowing from tobacco smoking is well documented.

It is not in this speech: there is no explanation here for the average member of Parliament to read and say, 'Yes, I am very supportive and I understand that.' It further states:

Besides consolidating the regulatory requirements that currently apply, this Bill evidences the Government's clear aim of encouraging tobacco consumers to quit smoking altogether or, failing that outcome, at the very least to switch to lower tar content products.

The Bill includes provisions in relation to passive smoking. That passive smoking is associated with ill health is well documented and accepted by health and medical authorities worldwide (e.g. the International Agency for research on cancer [a branch of the World Health Organisation], the US Surgeon-General, the US Environmental Protection Agency, the Independent Scientific Committee on Smoking and Health [UK] and the Australian National Health and Medical Research Council).

As that is all that is said there, it is not terribly convincing to me. I now quote from the Minister for Health's second reading speech in the Assembly:

While the health effects of directly breathing in tobacco smoke are well known, people who smoke are not the only people exposed to tobacco smoke: environmental tobacco smoke is often absorbed

in enclosed public dining or cafe areas and includes smoke which passes into the atmosphere from burning tobacco. It also includes environmental tobacco smoke, so-called passive smoking. As I indicated before, the Morling judgment provides a link between passive exposure to smoke and illness. I acknowledge a number of cases in the recent focus in Australia on the workplace, occupational health and safety and employer liability. That is particularly important in relation to enclosed public dining or cafe areas because so many of the workers in these areas are potentially exposed to occupational health and safety risks.

The Minister mentions the Morling judgment in passing as a throw-away line; he says that provides a link. That is all he says, that it provides a link. In response to that, I quote the following:

It is incorrect to claim that Australian courts have concluded that exposure to ETS causes disease to non-smokers. No legal case in Australia or elsewhere has resolved or is capable of resolving the scientific, medical and health issues that have been raised concerning ETS. Justice Morling's judgment in *Australian Federation of Consumer Organisations Inc v. Tobacco Institute of Australia Limited* is often cited for conclusions reached about the scientific evidence relating to the effects of ETS. However, this decision was appealed and it is not accurate to say that these conclusions were supported on appeal. Although the appeal court confirmed Justice Morling's decision with respect to false advertising, the appeal court considered that the scientific conclusions of Justice Morling were inappropriate for a court of law to reach. For example, Mr Justice Hill of the Full Federal Court held:

At the end of the day the question of the relationship between environmental tobacco smoke and disease is a matter for scientists trained in the area. It is not a matter for a court of law which is ill equipped to determine it and to make the skilled judgments upon which such a question depends. It should accordingly be borne in mind that the court in the present proceedings is not deciding whether environmental tobacco smoke does cause disease.

Similarly, Mr Justice Foster held:

It may be observed that the evidence of these scientists clearly demonstrated that in the highest level of science there was disagreement as to whether passive smoking could cause a disease in non-smokers. . . . It was not a disagreement that the learned primary judge, Mr Justice Morling, or this court could reasonably resolve.

Those are some of the findings relating to the Morling judgment. Overbearing authorities once burnt unbelievers at the stake for the unbelievers' own good. Nowadays, authorities are more concerned with the unbeliever's stool than his soul and longevity has replaced immortality. State sponsored campaigns to improve lifestyles assail us daily with the message that, if we want to live longer and healthier lives, then we must give up this, take up that and limit the other. I have no problem at all with the health people out there selling products like exercise in a regulated or unregulated market. If they are selling it and people are gullible enough to go in and cycle like hell or do 100 000 push ups, that is their problem. However, if the Government gets involved in it, that is my problem and I do not agree with it. That is where nanny ought to keep out of it, because nothing we have been shown does much for anyone's health, whatever the lifestyle nanny thinks we ought to have.

With respect to the Minister for Health, I have much to say in the following remarks which, for any fair minded and open person, will debunk most if not all of the non-substantiated emotional remarks made by the Minister for Health. I might add that the Minister's remarks were made in the Committee stage of the Bill in another place and not in the second reading. As to the incredible remarks about the cost of health attributed to tobacco—and I accept that there is a high cost—I simply say that in 1995-96 (I have not got lots of time to run my argument through to its logical conclusion) total revenue from tax and excise on tobacco products from the Commonwealth and States together was \$4.25 billion. I have to qualify that figure somewhat because, despite many phone calls,

faxes and bits of paper from libraries and the Bureau of Statistics, it is difficult to get exact figures. I updated one lot of earlier figures and these figures that I now present are the most accurate and are guaranteed to be accurate by the Bureau of Statistics: the total excise income to Governments was \$4.25 billion, but this does not include the Commonwealth health levy.

As a smoker, my contribution to Government revenue was made up by the health levy, which is a percentage of my salary, my private health levy, which is what I pay Mutual Community for my cover, and the tobacco tax that I pay various Governments for my habit, in this case the South Australian Government. That amounts to \$5 625 per year that I alone pay for my habit and to look after my own health. Like you, Mr Acting President, I grew up in an era where we were encouraged to look after our own wellbeing either by a prudent or moderate lifestyle—whatever that is—or by using insurance to cover any unforetold or inevitable accident, as I have done all my life. I still believe in that principle but I also believe in and support a safety net for people in our community who for whatever reason cannot look after themselves.

I will not go through that argument, but I make the point that, if my lifestyle is offensive to others—I am not talking about the smell of tobacco but about the cost of my eventual hospitalisation and medical expenses—I believe I have well and truly paid my debt to the State and covered myself both privately and publicly. I do not want to use the public system; I am happy to use the private system, which I have used all my life and will go on using. I can look after my own habit—I am not a drain on others.

I have as many hang-ups about people who rely on the public health system because they break their leg skiing at Falls Creek or get terribly sunburnt because they sunbathe to excess at Glenelg, or undergo an abortion, a facelift or a breast uplift. That is none of my business. I do not want to pay for that, but I am forced to. I am just as annoyed about the practices of those people, of which I do not approve, as they are about my behaviour. Touché! Time does not permit me to document the many different lifestyles with which I strongly disagree. However, I say, quite unequivocally, that I have paid my way and I will continue to do so for as long as I can.

How strong is the scientific evidence upon which health authorities base their campaign? According to Dr J.R. Johnstone (who is not a medical doctor) they are not very strong at all. Indeed, some of the original work conflicts with campaign messages. For example, the evidence that suggests a link between passive smoking and lung cancer at best is tenuous and at worst badly flawed. The same position applies to lifestyle campaigns. Massive intervention trials that sought a link between diet and smoking on the one hand and longevity on the other found no significant positive relationship. In fact, in some cases there was a reduction in life expectancy.

Despite these findings, health authorities around the world still exhort the public to modify their diet and give up smoking, etc. Dr Johnstone concludes that all too often makers of public policy have misused or abused science and the State has done more to scare people than to inform them. My attention to the sorts of arguments that I put forward was first drawn by an article in the *Australian* entitled 'Warning: the intervention of nanny State is a health hazard', which was written by John Hyde, the Executive Director of the Australian Institute of Public Policy. I indicate so as not to avoid

the issue that he is a former Liberal Western Australian member of Federal Parliament, who now heads a think tank in that State. He states in that article:

For years, I believed what I was told, namely that smoking shortened life span. But I became increasingly puzzled about the want of hard data about the simple matter. I have found some.

Dr J.R. Johnstone (University of Western Australia, Department of Physiology) has summarised the major experimental and clinical literature. The overwhelming evidence of a huge sample is that smokers live as long as anybody else. That is illustrated quite simply in the Federal Department of Health's statistics, which I have tabled. The article continues:

What is more, it is not just smoking which is not going to kill me. He cites a multi-risk factor intervention trial in which half of 12 886 men, judged to be at risk of coronary heart disease, were counselled to improve their diet, stop smoking and exercise more. The mortality rate of those who improved their lifestyle was 41.2 deaths per 1 000 compared with 40.4 deaths per 1 000 amongst those who did not. The huge study took 10 years and cost \$115 million. Dr Johnstone surveyed nine studies which together cost about \$1 billion. His conclusion is as follows:

Public health campaigns to improve lifestyle produce no beneficial effects on health and should be discontinued.

To continue the theme developed by Dr Johnstone, I quote from a further article entitled 'In pursuit of ill health' presented in 1982, in which he states:

Hippocrates, the father of medicine, left us perhaps his most helpful advice. 'A wise man ought to realise that health is his most valuable possession and learn how to treat his illness by his own judgment.' But Hippocrates here (and in many other places) emphasises two points which today are not simply ignored but rejected in spite of their evident soundness.

The first is that each of us is an individual with an individual's different needs. The second is that it is illness, whether immediate or insipient, which should be our concern, not the possible cause of our distant and uncertain death. Today, the search for immortality has taken a new twist. Although ostensibly people look for good health and long life, in fact they often search out and nurture ill health.

Cardiovascular disease is the principal cause of adult death in the western world. For this reason, it has attracted considerable attention. Many causes have been postulated including: excessive dietary cholesterol, smoking, insufficient physical exercise, stress, excessive emotional stress, and many others. Of these, dietary cholesterol has perhaps received the most attention. A connection between cholesterol in the diet and cardiovascular disease is not implausible. The arterial lesions associated with these diseases contain cholesterol. People with a high plasma cholesterol do indeed die more frequently from heart disease.

However, as pointed out in an earlier article by Dr Johnstone entitled 'The myth of immortality' (the *Australian Surgeon*, June 1981) there is a corresponding reduction in mortality for other diseases so that the total rate of mortality is about the same. Indeed, more recent evidence suggests that people with high cholesterol levels live longer than those with low cholesterol levels. For those of you getting towards my age who have addressed this problem or thought about it, that is exactly what I get. I hope I do not have a cholesterol problem. Some will say that high cholesterol is bad for you, but on the other hand others will say that low cholesterol is bad for you. I venture to say the same about prostate cancer. My father-in-law, who is well over 90, will probably die of prostate cancer. Dr Hanson, aged 92, who was mentioned in yesterday's *Advertiser* by Stewart Cockburn, will die of prostate cancer. So what—92 is not a bad age.

A study of 11 000 Yugoslav men in the *American Journal of Epidemiology* (volume 114 of 1981) shows that the higher the rate of plasma cholesterol the lower the rate of mortality—the converse of accepted dogma. The exhortation heard

for the past 20 years to consume less milk, butter and eggs may turn out to be not only pointless but, if anything, injurious. As a farmer, I have lived through some of these periods where we have been told that we should drink milk or that we should not drink milk; that we should eat red meat or that we should not eat red meat; that we should eat white meat or that we should not eat white meat. Who is putting around these stories to which we listen? Why are these things all right one minute and not the next? As far as I am concerned, it seems to be the ploy of the moment. We are told that red meat is bad for us, so the poor farmers wonder what to do with their red meat. We are now allowed to eat red meat. All this stuff is going up and down in society according to someone's whim, and it is followed by people who get Government funding to find this out. When they find it out, more Government funding finds something different, and so it is changed. That is what Dr Johnstone means by what could be called a criminal waste of taxpayers' funds. I have been putting up with this all my life.

Dr Johnstone went on to discuss in the same vein malignant melanomas. In his paper entitled 'The myth of immortality', he states:

In earlier times mortality was regarded as part of the human condition but today is considered almost a consequence of imprudent diet or way of life generally. An examination of literature shows the case against these modern scourges to be utterly unconvincing. Burch, Mann, Pickering, Seltzer, and Szasz are some of the authors who have emphasised errors in what might be called the 'ill health theory of mortality'.

It is perhaps worth summarising some of this argument. Tobacco has long been suspected as a cause of disease but widespread, authoritative condemnation of smoking only followed the studies of Doll and Hill. Their early conclusions were circumspect, and rightly so. They studied a population which was self-selected at three successive levels. A subset of the British population (doctors) were asked to take part in a long-term experiment. Those who agreed compromised a second subset. These subdivided at a third level into doctors who decided to give up smoking and those who did not. Doll and Hill compared mortalities in smokers and ex-smokers with non-smokers. The results of such a study could only at best be interesting and suggestive and, at worst, grossly misleading.

Burch presented the opposing case at a recent meeting of the Royal Statistical Society. Judging by the discussion which followed, the case against smoking was found to be unproved. Some of the main points are:

1. Inhalers have a lower incidence of lung cancer than non-inhalers.
2. There is little correlation between tobacco consumed per capita in different countries and the incidence of lung cancer.
3. Women started smoking about 30 years after men. The maximum increase in the incidence of lung cancer occurred at about the same time (1930-1935) for both men and women, contrary to popular opinion.
4. Mean age for diagnosis of lung cancer is 57, regardless of quantity of tobacco consumed by the individual.
5. Smokers are much more likely to be diagnosed incorrectly as suffering from lung cancer than non-smokers, so that the statistics linking smoking and cancer are inflated.

6. The British death rate from lung cancer is twice the Australian, but approaches the Australian value in British migrants who have spent most of their lives in Australia.

A study similar to that of Doll and Hill, but in which the decision to give up smoking or continue was made by the experimenter rather than the subject, showed no difference in mortality between smokers and ex-smokers. It concluded:

Disappointingly, we find no evidence at all of any reduction in total mortality.

Again, to be fair, Dr Johnstone speaks about opiates and says: The average man swallows hard and reaches for a stiff whisky—as some of my colleagues will do—

at the mention of heroin. Yet, the evidence shows that opiates are relatively harmless and not particularly addictive.

I refer now to an article published in a Western Australian newspaper, and it refers to a Mr Mike Daube, who is from the Western Australian Health Department. The article states:

A paper soon to be published by Dr Ray Johnstone of UWA's Department of Physiology claims an analysis of nine studies shows public health campaigns aimed at improving lifestyle are a waste of money. But the Executive Director of Health Promotion and Education Services in Western Australia, Mr Mike Daube, said there was overwhelming evidence against the claims.

He said Dr Johnstone's comments were irresponsible and misleading. He said:

There are more than 30 000 scientific studies demonstrating the harmful health consequence of smoking. Mr Johnstone, who is not a medical practitioner or an epidemiologist, has apparently looked at nine studies of intervention programs.

Mr Daube said Dr Johnstone's claims were wrong and had failed to convince the scientific community. That article was answered by Dr Johnstone as follows:

Mike Daube disputes my claim that giving up smoking does not increase life expectancy. The accepted test for such a claim is a scientifically controlled trial—take a group of smokers and encourage and counsel them to give up smoking. After some years compare them with a similar group of smokers who have not been so counselled and determine whether the counselled group has a significantly lower death rate. If Mr Daube can produce just one such published trial from the 30 000 studies he quotes, which supports his argument, I will donate \$100 to the Quit campaign.

After 10 years Dr Johnstone's \$100 is still safe! The Agent Orange studies, although not directly related to tobacco, do have a relevance to the argument put by Dr Johnstone. I will leave those arguments that I have put about lifestyle and life expectancy for the Minister and others to contemplate. I have certainly tried to come to grips with them myself and I have put them on the record. The research that I have done has helped me to try to find my way through the complications of what has been put to us by various Ministers in regard to the need for this sort of legislation. However, as I said, the subset of the legislation is, first, the tax and, secondly, the smell problem. It appears to have nothing to do with health *per se*, but health is mentioned.

The Australian Institute for Public Policy published in 1991 *Critical Issues No. 14: 'Health Scare—The Misuse of Science and Public Health Policy'*, edited by Dr Johnstone, and I have already alluded to much of that. Dr Johnstone does not claim to do the original scientific research work used in his published study. Rather, he uses the studies of many thousands of ordinary people with hundreds of millions, perhaps billions, of dollars on which to base his remarks. I seek leave to have inserted in *Hansard* four simple statistical tables.



Table 1.1  
Lung Cancer and Passive Smoking caused by Spouse: Prospective Studies

Study	Duration (years)	Men	No.	Women	No.
Garfinkel (1981)	12	·	94 000	◦	375 000
Gillis <i>et al</i> (1984)	6	◦	827	◦	1 917
Hirayama (1981 a, b, c, 1984 a, b)	17	↑	20 289	↑	91 540

Notes:

◦ : a non-significant result

· : this condition was not examined in the paper

↑ : a positive association

Table 1.2  
Lung Cancer in Men and Passive Smoking: Case Control Studies

Study	No of Cases	Spouse	Children Family	Parents				
				F	M	Work	Leisure	Travel
Akiba <i>et al</i> (1986)	19	◦	·	·	·	·	·	·
Buffler <i>et al</i> (1984)	5	·	◦	·	·	·	·	·
Correa <i>et al</i> (1983)	8	◦	·	◦	◦	·	·	·
Dalager <i>et al</i> (1986)	29	◦	·	◦	·	·	·	·
Kabat and Wynder (1984)	37	◦	◦	·	·	↑	·	·
Lee <i>et al</i> (1986)	32	◦	◦	·	·	◦	◦	◦

Notes: As for Table 1.1

Table 1.3  
Lung Cancer in Women and Passive Smoking: Case Control Studies

Study	No. of Cases	Spouse	Children Family	Parents				
				F	M	Work	Leisure	Travel
Akiba <i>et al</i> (1986)	94	◦	·	·	·	·	·	·
Buffler <i>et al</i> (1984)	33	·	◦	·	·	·	·	·
Chan and Fung (1982)	84	◦	·	·	·	·	·	·
Correa <i>et al</i> (1983)	22	↑	·	◦	◦	·	·	·
Dalager <i>et al</i> (1986)	70	◦	·	◦	·	·	·	·
Garfinkel <i>et al</i> (1985)	134	◦	·	·	·	·	·	·
Humble <i>et al</i> (1987)	20	◦	·	·	·	·	·	·
Kabat and Wynder (1984)	97	◦	◦	·	·	◦	·	·
Koo <i>et al</i> (1984, 1985, 1987)	88	◦	◦	◦	·	·	·	·
Lee <i>et al</i> (1986)	12	◦	◦	·	·	◦	◦	◦
Pershagen <i>et al</i> (1987)	77	◦	·	·	·	·	·	·
Trichopolous <i>et al</i> (1981, 1983)	77	↑	·	·	·	·	·	·
Wu <i>et al</i> (1985)	31	◦	·	◦	◦	◦	·	·

Notes: As for Table 1.1

Table 1.4  
Lung Cancer in Men and Women and Passive Smoking: Case Control Studies

Study	No. of Cases	Spouse	Children Family	Parents				
				F	M	Work	Leisure	Travel
Humble <i>et al</i> (1987)	28	↑	·	·	·	·	·	·
Sandler <i>et al</i> (1985 a, b)	2	·	◦	◦	◦	·	·	·

Notes: As for Table 1.1

**The Hon. J.C. IRWIN:** The tables summarise the results of 24 studies of lung cancer in non-smoking men and women. Of those, 20 reveal no association between passive smoking and lung cancer. Of 51 separate exposure situations (spouse, leisure, etc.), 45 reveal no association. The failure to find a positive association in most examples suggests a tenuous connection at most, unless the minority studies are of convincing persuasiveness. The tables are roughly set out exactly the same and refer to various studies.

For example, Table 1.1 refers to lung cancer and passive smoking caused by spouse: prospective studies. There are studies by Garfinkel, Gillis *et al*, and Hirayama. The duration

of the Garfinkel study was 12 years; Gillis, 6 years; and Hirayama, 17 years. There were 94 000 men and 375 000 women in the Garfinkel study, and the circle notation indicates no significant result at all in relation to passive smoking caused by a spouse. It is the same with the Gillis study, who examined 827 men and 1 917 women with no significant result. But there was a positive association with Hirayama in the 1981 study. He studied 20 289 men and 91 540 women, over a period of 17 years.

So, all the tables to which I refer are similar. In relation to Table 1.2, which shows a number of case studies over a number of years, there is not one link at all. Table 1.3 shows

two links, and Table 1.4 shows virtually no link. The arrows reflect the rise associated with passive smoking and the risk ratio. In these studies the risk ratio ranged from approximately three times more likely for the largest positive association to three times less likely for the largest negative association. So, I have been through some of those studies, and these tables will be in *Hansard* tomorrow for those people who want to rush off to read them. I do hope that some people will take up the issue of trying to understand what is shown in those statistics and listen, of course, to what the Ministers have to say to debunk the world studies that have been going on for many years.

The most widely quoted results, not surprisingly, used by the nanny State are perhaps those of Hirayama (1981)(a) with a test devised by N. Mantel. Time does not allow me to document or explain the many factors given by expert researchers which completely blow away the Hirayama study. I regret that I cannot do that because I do not want people to say, 'Well, he hasn't got much of an argument so he's not going to put it in.' But that is not the case: I can produce the whole argument if that is required.

Rutsch (1981) showed that from Hirayama data it could be deduced that lung cancer was more common for non-smoking, unmarried women than for non-smoking wives of smokers. Lee (1981) found from the data that a cigarette had the same carcinogenic effects on a person whether it was smoked by him or another person breathing that same cigarette passively—which is quite remarkable. Lee further found that Hirayama's 11 printed possible errors in a measured risk ratio were an error by a factor up to 1 000 per cent. When Hirayama replied to Lee's criticism his reply itself contained errors between 100 and 1 000 per cent.

It is a bit of a problem, to put it mildly, when both the United States' Surgeon General and the Australian NHMRC accepts the Hirayama work which he himself admitted is full of errors. This sort of nonsense accepted by our so-called expert watchdogs is highlighted by Dr Johnstone's work, which I have outlined, and I will use only two areas where research has been bastardised to suit the argument or, if you like, eliminated to protect a pre-determined argument.

In the book I mentioned edited by Dr Johnstone, the original graph (in 1961) produced from the research decades ago by R.F. Brukenstien, the inventor of the breathalyser, summarises perhaps the most respected of all studies on the effects of drinking and drink driving. It shows that with increased blood alcohol concentration there is a rapid probability of an accident. Importantly, this graph shows that between zero alcohol measured and .04 alcohol, which is a few drinks, this should improve driving ability. In other words, if one thinks of the Paul Keating J-curve, at the

bottom the left hand corner the J-curve drops under the line between nought and .04, and where it follows up the curve the more drinks you have the more susceptible you are to an accident, and where it dips under the line is where it has been bastardised.

This 1964 graph has evolved through Birrel (Victoria 1974) to Anonymous (in 1986) to the pleasantly curved graph we know and see today without the dip below the line. Oddly enough, the explanation for the dip is not that a few drinks improves driver ability. A simplified explanation is that infrequent drinkers who drive have a relatively high probability of an accident. This fact is virtually unknown to the public and one has to ask why.

The second example I use comes from the two editions of the report on smoking and health produced by the Royal College of Physicians of London. In the edition of 1971 *Smoking and Health Now*, figure 4.1 showed the change in lung cancer death rates in 45 and 64-year-old men over the period of this century, supposedly due to an increase in tobacco consumption. However, it has two features so undesirable it may as well have been produced by a saboteur from the tobacco industry. First, it shows no increase in deaths from bronchitis; indeed, there is a marked decline, which is most unbecoming for a graph intended to demonstrate the deleterious effects of an increase in smoking during the period 1916 to 1965—a time when Governments were encouraging people to smoke, a very long period of 60 years.

Second, there is concomitant with the increase in lung cancer deaths a monotonic decrease in tuberculosis deaths consistent from 1961. If the relentless increase in lung cancer this century has been caused by a concomitant increase in smoking, is it not odd that two other respiratory disorders would have declined? Although not inimical to the smoking-lung cancer idea, the secular changes for TB and bronchitis by no means harmonise well with it. These features apparently were so offensive to eye and mind because when figure 4.1 next made an appearance in the 1977 edition of *Smoking and Health* they had both vanished. Someone ought to explain that, too. They were just lines that people did not like to see in their graphs so they took them out. It helped their argument when they were out. It certainly did not help their argument when they were in there because they showed totally the opposite.

In no area of science is it more important to scrutinise the published evidence as it is in the area of epidemiology and public health. Is it not odd that recently published figures show an increase in TB? I wonder why that is? I have used just two examples where the publication of certain material has been tampered with, with the effect of misleading people. I seek leave to have inserted in *Hansard* Table 3.2a, which is purely statistical.

Leave granted.

Table 3.2a  
Effect of Change in Lifestyle on Mortality and Coronary Events  
(Intervention Trials—Various Factors)

Study	Date	No. of Subjects	Duration (years)	Type of Intervention				Total Mortality	CHD Mortality	Cancer Mortality	Coronary Events
				Diet	Smoking	Exercise	Drugs				
WHO Collaborative Trial	1971	60 881	6	✓	✓	✓	✓	○	○	·	·
Finnish Businessmen	1972	1 212	5	✓	✓	✓	✓	○	○	○	○
MRFIT	1972	12 886	7	✓	✓	✓	✓	○	○	○	·
North Karelia*	1972	12 000	5	✓	✓	✓	·	○	○	·	·
Göteborg	1970	30 022	11.8	✓	✓	·	✓	○	○	○	○
Oslo	1972	1 232	5	✓	✓	·	·	○	○	○	↓

Table 3.2a  
Effect of Change in Lifestyle on Mortality and Coronary Events  
(Intervention Trials—Various Factors)

Study	Date	No. of Subjects	Duration (years)	Type of Intervention				Total Mortality	CHD Mortality	Cancer Mortality	Coronary Events
				Diet	Smoking	Exercise	Drugs				
AntiCoronary Club	1957	1 277	4	✓	.	.	.	↑	↑	.	↓
Finnish Mental Hospitals*	1959	5 000	12	✓	.	.	.	◦	↓m◦w	◦	.
Veterans Administration	1959	888	8	✓	.	.	.	◦	◦	↑	↓
Sydney Diet-Heart Study	1966	458	5	✓	.	.	.	↑	.	.	.
Whitehall Study	1978	1 445	10	.	✓	.	.	◦	◦	◦	.

Legend:

- ✓ : method of intervention employed for the test group
- : no change in mortality (or coronary events) in the test group compared with the control
- ↑ : increase in mortality (or coronary events) in the test group compared with the control
- ↓ : decrease in mortality (or coronary events) in the test group compared with the control
- : not applicable or not specified in the paper
- m : men
- w : women
- \* : men and women

**The Hon. J.C. IRWIN:** This table summarises a huge body of research covering the question of cholesterol. It further highlights the change of lifestyle argument. Many studies show a significant and in most cases strong correlation between cholesterol and coronary heart disease mortality. None show a negative correlation. However, the relationship between plasma cholesterol and total mortality is by no means so clear. Most studies have demonstrated either no correlation or even a negative correlation. The trial considered in Table 3.2a have modified some or all the following factors in the test group. Cholesterol (by diet and/or drugs), smoking, exercise and coronary events is defined by most authors as the sum of both fatal and non-fatal coronary heart disease.

Even though none of these trials has found increased life expectancy with improved lifestyle, it is worth summarising the results to which some of the researchers have been driven to make a case where none really exists, and I shall list them:

1. Change of statistical significance level (i.e. P-value):  
The Lipid Research Clinic's Coronary Primary Prevention Trial.  
The Oslo study.  
The World Health Organisation Clofibrate Trial.
2. Change of Trial endpoint:  
The Lipid Research Clinic's Coronary Primary Prevention Trial.
3. Unsound use of a one-tailed statistical test:  
The Lipid Research Clinic's Coronary Primary Prevention Trial.
4. Rejection of significant results:  
The Lipid Research Clinic's Coronary Primary Prevention Trial.  
The Whitehall Study.  
The Anti-Coronary Club Program.  
The Sydney Diet Heart study.

These exercises in scholarly gymnastics attempt to defend what cannot be proven from their material. This is an odd approach to science. I understand that all the trials mentioned in Table 3.2a (and I have just read most of them out) cover a huge number of subjects over a number of years, up to seven years. In every single case there was a change half way through so that the people doing the trial hopefully would get a better result than they were getting when they monitored some way through it.

To conclude my reference to Dr Johnstone's paper I quote his concluding remarks as follows:

Our ill-health and death are our own fault. If we lived properly, that is, if we lived as the wowsers and puritans think we should then we would live forever, or at least a very long time. That is the tacit mortality which underpins much of modern medicine. It is a scandal that—

**The Hon. Anne Levy:** What about Deng Xiao Ping?

**The Hon. J.C. IRWIN:** He got to 92 and smoked heavily, I understand, too. The paper continues:

It is a scandal that so many people should die of cardiovascular disease and cancer. (What should people die of?) It is not good enough that in Australia male expectancy should be 72 years and females 78. The foundations of this secular morality are both shaky and changeable. The financial costs to the nation because of alleged premature death is sometimes mentioned. Sometimes it is the threat to others posed by the smokers or drinkers. In fact, there is scarcely any substance to this new morality. Wowsersism is self-sufficient and self-justified.

We live in an area of superstition, the source for being promoted as an age of enlightenment. Medical and scientific vandals have hijacked the tools and the results of science and prostituted them to their own ends. Secure in the knowledge that the great majority of a deceived populace believe them, they have untrammelled freedom to persecute oppressed minorities. It is time for change. Let those with an interest in public health and a sense of fair play examine the facts for themselves and draw their own conclusions. I just simply ask that.

If one is looking for examples of misleading or medical fraud in recent years, one need not look beyond the exposure of Dr William McBride—a stunning reversal from his acclaimed work on thalidomide. But it is as well to be aware that there is an increasing concern within the scientific community that the mechanism for exposing error (whether deliberate or not) is not doing its job as well as it might. Nor is there any harm in reminding ourselves that, white laboratory coats aside, scientists are in many ways very much like other people—often moved by the same mixture of base and pure considerations, and subject to the same human frailties.

Concerns about the detection and exposure of error and impropriety apply to biochemical research as well. As recent literature shows, medical and biological research is susceptible to fudging. This might not happen very often, but the temptation remains strong because success or apparent success leads to funding and fame. The temptation to give Governments and State bodies what they wish to hear, although it might not involve dishonesty, is quite likely to warp judgments and scientific objectivity. This means that the studies such as those cited in the main work ought to be subject to very careful examination and consideration before their findings are regarded as established.

Given that, for example, none of the intervention trials which Dr Johnstone cites show any connection between intervention and increased life expectancy, one wonders how it is possible that the State could persist with campaigns

involving some form of intervention. Why does nanny not make sure that the results justify her chiding before she spends our money on telling us to be good? At its worst, it is quite possible for nanny, if she is careless with the facts, to promulgate biased and misleading information and the nursery will not trust her.

Is it too hard to expect that some fair-minded medical and scientific research and management people, funded by public dollars, would see it as their duty to question the research material pushed on to the people by the health bureaucrats? Is it too much to expect that our press and its investigative journalists should see it as a public duty to expose or at least publish and question the massive expenditure of public funds on so-called health lifestyle programs where there are very questionable benefits?

In the 1988 debate, I made a fairly detailed submission about tobacco advertising, as follows:

The only evidence of any kind which I have seen and which looks specifically at why juveniles start smoking is a submission we have all received, namely, the study conducted by the Children's Research Unit of London and published by the International Advertising Association.

The major findings of that survey were: first, that tobacco advertising does not significantly influence the smoking initiation process as far as children and young people are concerned; and, secondly, that a combination of persona, family and social factors are the predominant reason accounting for smoking initiated by juveniles. These patterns persist despite the pressure or absence of tobacco advertising. Thirdly, advertising was found to be irrelevant not only to the smoking initiation process by juveniles but also regarding juvenile smoking incidence. Fourthly, Hong Kong and Argentina, which have relatively few restrictions on tobacco advertising, have a higher proportion of children who have never smoked. Fifthly, the incidence of regular smoking amongst 15-year-olds was highest in Norway at 36 per cent, a country with a total tobacco advertising ban.

A country with a total advertising ban has 36 per cent of smokers amongst 15-year-olds, whereas Hong Kong with no bans on advertising has 11 per cent; that is, 36 per cent against 11 per cent. Under my own rules that I have established here, that is not good enough, and there needs to be—and may be there has been over the past nine years—more work done concerning those countries. I will come to its relevance later. It needs to be looked at more carefully.

If we can show that in States which have totally banned advertising more children are taking up smoking that State should be accountable for the deaths which the Minister for Health says follow from people who smoke. It is as simple as that. I suppose Crown immunity applies, but I make the point, as strongly as I can, that if some things cause adverse results we have a responsibility for causing that or at least looking at it.

I draw further a few points from the introduction by Professor Boddewyn of the City University of New York, who is the editor of the study. Under the heading, 'Important Evidence', the article states:

'The 10 country comparison' reported here provides strong evidence that advertising plays a minuscule role in the initiation of smoking by the young. Instead parents, siblings and friends appear to be the determining factor when children start to smoke.

Under the heading, 'New Evidence', the following statement is made:

Such a point has been made and proven before.

However, the recent study of 1984-87 provides not only corroborative evidence but also a new angle, by focusing on

nine countries where the control of cigarette advertising ranges from a ban in Norway to rather limited restrictions in Argentina, Hong Kong and Spain, with Australia, Canada, Switzerland, Sweden, Turkey and the United Kingdom standing in between. It established that family and peer influences appear to be the determining factor, irrespective of whether the young are exposed to cigarette advertising or not, with all nine countries reporting the similar overwhelming impact of social and cultural influences on juvenile smoking initiation.

The findings would seem to challenge the validity of fairly common assertions that the young start to smoke because they have been exposed to cigarette advertising. They also raise questions about the effectiveness of tobacco advertising bans. In Norway, the subjects of the study were too young to have been influenced by cigarette advertising before the ban was imposed in 1975. Indeed, some of the subjects of the study had not even been born. By contrast, all the subjects of the study in Spain and Hong Kong had grown up in the presence of cigarette advertising, yet the incidence of smoking amongst the juveniles studied in Spain and Hong Kong was lower by far. Clearly, factors other than advertising are at play and they even predominate, so the advertising should not be made into a scapegoat for juvenile smoking. Professor Boddewyn continued:

I think that the methodology used by CRU was appropriate and that the findings are credible. After all, other studies have reached similar conclusions. Particularly relevant in this respect are the conclusions of a recent study of school children smoking in four countries sponsored by the World Health Organisation.

I shall quote from material supplied by the WHO as follows:

The lack of clear differences in smoking habits between countries probably reflects the selection of countries involved in this study in 1983-84. However, since Norway and Finland are countries with restrictive legislation (actually a ban) on advertising of tobacco products, and the other two countries, Australia and England, are not, a difference might have been expected. No such systematic differences are found.

I made these brief observations about advertising as I believe that they have some relevance to the debate tonight because they specifically relate to the so-called health of the young people.

Further, I was alarmed to study the November 1995 *Quit* newsletter which makes some detailed reference to the trends in youth smoking. With respect to young people from the ages of 12 to 17 and in the years 1984, 1990 and 1993, the graph shows that, with boys and girls separated, in every age group, the 1984 starting percentage was higher than those levels reached in 1990 and 1993. In other words, the reduction achieved was positive. The 17 year old group has not altered much from 1984 to 1993. The ban on advertising was introduced here some time after 1988. The percentages of young smokers went down in every age group. However, in 1993, three boys ages and three girls ages—that is, half of each group—went up.

The 1993 survey found that 9 700 girls and 9 200 boys were regular smokers at the time of the survey. That is a total of roughly 19 000 in 1993. It was disturbing to read the recent *Advertiser* article of 6 March 1997 where the Anti-Cancer Foundation estimated that 23 000 young people between the ages of 12 and 17 are smoking. Incidentally, they are paying \$4 million in tobacco taxes. Where they get that from beats me. I note that the Anti-Cancer Foundation estimate is not from the same type of survey conducted for *Quit* in 1993; it is an estimate and not a survey. It is nearly four years since the 1993 survey, so another *Quit* survey should be out soon, when we can expect the results of the 1996 survey.

The point I wish to make is that the Anti-Cancer estimate is 4 000 young people smoking above the 1993 survey figure. The 4 000 increase represents a 21 per cent rise in young smokers since 1993. If this trend of young people taking up regular smoking is maintained, it may not be long before the 1984 levels are reached. Having gone down, they are coming back up. Probably there are some good explanations for that. The Anti-Cancer Foundation came to see me, not specifically on this issue, but wanting more money put towards the effort to stop young people smoking, and I think the Hon. Sandra Kanck mentioned this. However, that increase of 4 000 (or 21 per cent) since 1994 may not be correct. That may be a guesstimate, so someone might explain that to me. Nevertheless, if it is a 20 per cent rise from the last survey in 1993, it is becoming something more than a passing interest.

I do not know what to make of these young smoking trends. I started out to verify my gut feeling from the discussion about the ban on advertising where there was evidence that more people took up smoking in countries that have a total ban on advertising. I believe that by the year 2000 the level of young smokers in South Australia may well return to that 1984 level. There will be demands for more money to be allocated to educating the people. 'More money, more resources' is always the cry. I suggest that that may be a nice thing to aim for, but it may not be of any use whatsoever.

There are factors involved which I do not pretend to understand, both in the youth smoking debate and the wider adult smoking debate. I have tried in this debate to produce and amplify various factors that I have unearthed in my limited capacity to research. It has been long-winded, but I certainly do not think this type of debate can be conducted quickly, particularly if one is genuinely trying to find reasons why Governments do certain things.

Again, I highlight the area of a Government trying to persuade smokers to move from a certain tar content cigarette to a lower one. I believe that is fraught with danger and it is not a matter for a Government to be involved in. I will obviously watch that and a number of other trends very closely. I would welcome any Minister, particularly the Minister for Health, briefing me or showing me or all my colleagues in this Parliament exactly the evidence he has in all these studies which have been conducted around the world and which will show all these links in lifestyle and in passive and aggressive smoking.

So, I conclude on that note: that this is a very serious subject. It is not one that I can address in a one minute contribution. I do not even attempt to do that. Rather, I use the Chamber to put my concerns to the people.

**The Hon. DIANA LAIDLAW (Minister for Transport):** I want to make a contribution of two or three sentences only. I smoke, but I disagree with the presentation made by my colleague, the Hon. Jamie Irwin. Because I do smoke, I am quite conscious that there is an impact on health. I also know that what I do offends others, and I have been very conscious that I seek to offend as little as possible.

It is interesting to see that, from the time I first came into this place, when one could even smoke in the area behind the President's chair, in the Party room, in committee rooms, and even in this place generally, today it just would not even be contemplated that those behaviours were acceptable. In restaurants, where we promote fine food and wines and encourage others to enjoy such pastimes, if there is such an immediate offence as cigarette smoking, we should help those

restaurants to order the way in which they wish to do their business, just as through this place we order the way in which we wish to see people drive on roads or do other things.

I fully support the initiative taken by the Minister for Health, and I respect the contribution by the Hon. Sandra Kanck that possibly they have not been taken far enough. I make my short contribution on the basis that it comes as some personal difficulty, because I have tried to give up smoking and have found it difficult to do so. I quite enjoy it, but I respect the fact that it is a behaviour, just like behaviour on roads, that should be legislated and controlled, even though we would not ban cars or smoking. However, there are ways in which those behaviours should be controlled in the majority interest. I am not only relaxed but strongly support the initiatives being taken by the Government in this way and generally am very supportive of the amendments proposed in this Bill.

**The Hon. ANNE LEVY:** I, too, support the second reading of this Bill, but that does not mean that I agree with every part of the legislation; far from it. I recognise that there are sections of the Bill which deal with tax avoidance measures and, for the sake of protecting the revenue of this State, I support the second reading. However, I wish to stress that whatever is said by various Ministers—it is hard to know which one to point to as we are now on the third one—this Bill is a tax measure. It is predominantly to increase taxation, this being done by a Government which promised no increases in taxation. It is clearly a tax measure and certainly the bulk of the Bill before us is concerned with increasing the tax take by the Government. This aspect of a differential licence fee according to the tar content of cigarettes is bitterly opposed by small retailers, by proprietors of delis and by all those who sell tobacco as vastly increasing their paperwork to no good purpose at all. This comes from a Government which mouths that it will not increase taxation, which mouths that it supports small business and mouths that this is a health measure when it is not but rather is a tax measure.

The Hon. Sandra Kanck quoted some figures from Philip Morris, the tobacco company, as to costs to the community of smoking compared with the taxes paid by smokers. I do not necessarily trust tobacco companies any more than I trust a lot of business organisations, so I chased up the references. I will quote from a paper published in the Australian and New Zealand Journal of Public Health, 1996, entitled, 'A cost benefit analysis of the average smoker—a Government perspective'. The authors are Doran and Sanson-Fisher who come from the New South Wales Cancer Council—hardly a smoking promoting body—and Gordon from the economics department of the University of Newcastle. They have collected statistics on the costs and benefits of smoking to Governments, the latest data they could use being that of 1989-90.

They take into account the costs of hospital care from smoking-related conditions and the cost of medical care. These figures all come from the National Centre for Health Program Evaluation, published in the economic cost of diseases from the Australian Institute of Health and Welfare. They also estimate the cost of pharmaceutical care, of allied professional care and nursing home care resulting from smoking-related diseases. They add in the costs of anti-smoking campaigns conducted all round the country, the assistance to the tobacco industry—which comes from the Industry Commission—and the assistance given for tobacco growing and manufacturing industries. They estimate the cost

of passive smoking, which they say is hard to quantify given that most studies on passive smoking show an effect very much smaller than that of direct smoking, but they take the cost of passive smoking as being 10 per cent of the cost of direct smoking. They add in the forgone earnings of those who suffer smoking related diseases and the cost of absenteeism.

For 1989-90 they estimate those total costs to Government of smoking-related matters as being \$718.8 million. However, they then look at what smokers are contributing to the coffers of Governments all round the country—State and Federal. They find that Governments creamed off \$2 191 million for the 1989-90 year. So, the gain to Government was \$1 472.2 million. In other words, Governments are gaining by smoking in the community and comments such as in this morning's paper that smokers are a drain on the health system are quite incorrect. Smokers such as myself can legitimately claim that we are subsidising the bludgers who do not smoke. The cost of our smoking to the community is much less than we contribute in taxes on smoking. Let us put an end to this idea that smokers are a drain on the community: quite the reverse is the case. We are subsidising non-smokers through our taxes on cigarettes.

That is a very interesting paper and I would hope that many people get hold of it and read it. They certainly show, as is stated in the abstract, that the cost to the Government per smoker was \$203 per year while the benefits to the Government per smoker were \$620 dollars per year in the same year. So, talk about smoking being a cost to the community, if we are looking at dollars and cents, is not true. The authors of this paper—two of the three coming from a cancer council—comment that:

If the Government were serious about addressing cigarette smoking as a primary health objective, its efforts would portray this. To date it appears that the objective of raising revenue from smoking is more of a priority than reducing smoking.

They suggest various strategies which Governments could use if their approach to smoking was in fact to reduce smoking and not merely to raise taxes. I repeat that the matter before us is a tax-raising measure, not a health measure and I object strongly to clause 3, which states:

In recognition of the fact that consumption of tobacco products, amongst other things, places a substantial burden on the State's financial resources, the objects of this Act are:

I have shown quite conclusively that the consumption of tobacco products is not placing a burden on the State's financial resources—quite the contrary. The consumption of tobacco products is contributing to the economic health of this State through the taxes imposed on smokers.

It is highly hypocritical of the Government to pretend that this is a health measure. If the Government was serious that this was not a taxation measure (it is trying to pretend this because the Government promised no increased taxes and this of course is an increased tax), it could have proposed a taxation change related to tar consumption which was overall revenue neutral. Certainly, it is not beyond the wit of Treasury officials to allow for that and if, as they state they are serious that a differential tax is not a tax increase, the Government could have made it revenue neutral by adjusting the proportions of the tax. The Government has not done this and it is a clear tax grab. I, for one, oppose this highly discriminatory tax grab which will cause enormous problems for small business and which will be mainly paid by working class people in this State.

The other aspect of the Bill that I wish to discuss at this stage—although obviously there will be comment on

particular clauses as we go through Committee—relates to the proposals for restaurants, hotels and clubs. It is rather hard to know which draft I am commenting on. There was an original draft as presented to Parliament. There may have been several drafts before that which were discussed in the Liberal Party room, and we were not privy to those. To the original draft that came into Parliament, amendments were moved in the Lower House. The Bill which came to us is quite different from that which went into the Lower House and we now have two lots of amendments proposed by the Government only this afternoon to the Bill as it came out of the House of Assembly. So, it is a little difficult to know to which view regarding restaurants, hotels and clubs we should be addressing our remarks.

I will keep my remarks general at this stage because obviously in the Committee stage there will be time to look at it in more detail. The Bill talks about no smoking where a meal is being consumed, and a meal means a 'genuine meal eaten by a person seated at a table'. To me, this begs the question of what is a genuine meal. Today, I saw someone eating a pie with sauce on a plate seated at a table. Was that a genuine meal? Are we going to say that a pie with sauce on a plate is a meal, but a pie with sauce in a paper bag is not a meal? We are going to have great difficulties with these definitions.

*Members interjecting:*

**The Hon. ANNE LEVY:** There are all sorts of situations. Is a pie eaten with a knife and fork a meal, but a pie eaten with fingers not a meal? Is a bag of chips tipped on to a plate a meal or, if it is eaten out of a paper bag or a cup of chips, is that not a meal? We will have incredible difficulties in definitions as to what is or what is not a meal. For some people a packet of crisps is a meal and for others it is a between meal snack.

**The Hon. T.G. Cameron:** To some people the serves in some yuppie restaurants are not a meal.

**The Hon. ANNE LEVY:** My colleague suggests that what you get on a plate in some restaurants cannot be regarded as a genuine meal, either, because it is a tiny snack only and leaves you wanting a great deal more when you have eaten it. As I say, there are all sorts of definitional difficulties. The Hon. Mr Irwin kept talking about the nanny State or the nanny Government, trying to control everything. When he used the word 'nanny', I immediately think of nanny goats and I think the Government is being a goat over these clauses in the legislation. The Government is just not aware of what is happening in the community with regard to smoking in particular locations. I understand that about 90 per cent of restaurants in this State are now non-smoking restaurants—of their own volition. I am not aware of any smokers who abuse the situation in any restaurant to which they go. If they are told it is 'no smoking' they do not smoke there, which is the normal good manners that one would expect in the community. The Hon. Sandra Kanck said she knows of restaurants where smoking is still permitted, and I will be very interested to get her list from her because, in recent times, I have been to only one restaurant where smoking has been permitted.

**The Hon. Diana Laidlaw:** You've not been to too many.

**The Hon. ANNE LEVY:** If you can add to the list, I will be very interested to get it from you.

**The Hon. Diana Laidlaw:** Almost every one.

**The Hon. ANNE LEVY:** There are plenty where no smoking is permitted. That is absolute nonsense. Different restaurants are adopting different policies of their own

volition and obviously with the agreement of their customers, because otherwise they would not still be in business. There are restaurants which say 'no smoking' before 10 p.m., taking the view that people will have finished their meal by 10 p.m. and, if they wish to linger a bit later with a coffee and port, they should be able to have a cigarette while doing so. Certainly, I know of restaurants which fall into that category. There are other restaurants which have separate areas for smoking and non-smoking. I would certainly agree with comments that this is fairly meaningless unless there is adequate ventilation, but there are standards for ventilation in restaurants set down by the Australian Standards Association. We are all aware of the Australian Standards and the initials 'AS' followed by a string of numbers which set up Australian Standards for many situations, including safety in swimming pools to prevent the drowning of small children.

Obviously, this Government believes that Australian Standards for the fencing of swimming pools are far too strict and will not even adopt the agreed Australian Standard and implement the \$5 child proof locks for doors and windows to protect the small children of this State from drowning. Nor apparently does it accept that Australian Standards for ventilation in restaurants are adequate. In the case of swimming pools, obviously the standard is too strict for this Government, but when it comes to restaurants it is not strict enough. The Government's hypocrisy and lack of consistency is glaring.

Incidentally, I noted when reading the *Hansard* of the debate of this measure in the Lower House, that the Minister for Health at that time refused to accept that there should be no smoking in the foyer of places of public entertainment even though he supported no smoking in the auditoria of places of public entertainment. His stated ground for not accepting foyers as places where smoking should be prohibited was that, if you are standing in a foyer and someone next to you lights a cigarette, if you do not like it you can move away.

I would like to know which foyers the Minister has been in where smoking has occurred. I have thought of many places of public entertainment, and I cannot think of one where smoking is permitted in the foyer. I do not say that smoking is prohibited by legislation, but owners and managers have decided that there should be no smoking in the foyer and the public have acceded to that request. Smoking is not permitted in the foyer of: the Festival Theatre, the Playhouse, Her Majesty's, the Entertainment Centre, the Odeon, the Red Shed, the Vital Statistics Theatre, the Junction Theatre, the Arts Theatre, the Royalty Theatre, Theatre 62, all Hoyts and Wallis cinemas, the Trak, the Nova, the Palace cinemas, the Chelsea, the Capri, all Regent cinemas, and the Piccadilly. I do not know whether any member can think of any others, but I would be surprised to hear that there is any place of public entertainment where smoking is now permitted in the foyer. I strongly suggest that the Minister for Health who at that time was in charge of this Bill had not the faintest idea of what he was talking about.

Undoubtedly, more comments will be made in Committee when we look at the legislation in greater detail. As I have said, it is difficult to know what the Government's final position on the Bill will be. New amendments arrived as late as 4 p.m. today, and perhaps tomorrow before we go into Committee there will be still more. This is rather surprising from a Government which claims to support self-regulation. It is the classic case of using a sledgehammer to crack a walnut. I point out regarding the Bill before us that if

smoking becomes prohibited in restaurants, hotels and clubs or large sections of those facilities, if someone smokes or lights a cigarette they will be liable for an expiation fee of \$75.

Perhaps we should note that if instead of lighting a tobacco cigarette a person lights a cannabis cigarette, they will be liable for a penalty of only \$50. This shows the absolute absurdity of this situation. I thought that this Government regarded smoking cannabis as far more serious than smoking tobacco, but obviously that is not the case. The penalty for lighting a cannabis joint will be less than for lighting a tobacco cigarette. This perhaps suggests that the Government believes that cannabis should be legalised in that smoking cannabis is not as serious as smoking tobacco. Personally, I agree with that, but it is a surprising deduction to be made on behalf of this Government which has never been known to speak out in favour of legalising cannabis in any of its forms.

That is perhaps an ironic aside, but for me it typifies the Government's approach to this absolutely nonsensical *ad hoc* constructed-on-the-run Bill before us. I refer particularly to clause 47 which relates to smoking in pubs, clubs and restaurants. However, as I have said, I support the second reading, because some clauses of the Bill are highly desirable for the protection of State revenue, and I certainly support their becoming the law of the land.

**The Hon. BERNICE PFITZNER:** It gives me great pleasure to support the thrust of this Bill, which is to discourage smoking: by way of increasing the price of cigarettes, by increasing the proposed licence fee especially for the higher tar cigarettes, and by restricting smoking in enclosed public dining and cafe areas. It has been stated that there will be a reduction of 1.2 per cent in smoking by increasing the licence fee and a reduction in tobacco consumption by 20 per cent by restricting smoking in restaurants. According to the objects of the Act, the thrust is: to create an economic disincentive to consumption of tobacco products and secure from the consumers of tobacco products an appropriate contribution to State revenue; and to reduce the incidence of smoking and other consumption of tobacco products in the population, especially young people. The Bill aims to do this by: requiring health warnings to be displayed on tobacco products and otherwise disseminating information about the harmful effects of tobacco consumption; prohibiting the supply of tobacco products to children; encouraging non-smokers, especially young people, not to start smoking, and encouraging and assisting smokers to give up smoking; prohibiting or limiting advertising, sponsorships and other practices designed to promote or publicise tobacco products and their consumption; and providing funds to sporting or cultural bodies in place of funds that they might otherwise have received through tobacco advertising and sponsorship. The third point in the objects is to protect non-smokers from unwanted and unreasonable exposure to tobacco smoke.

I note that the Bill provides categories of tobacco products according to their tar content. Category A has the lowest level of tar while category C has the highest. The prescribed percentages for licence fee are calculated as: category A—100 per cent; category B—102 per cent; and category C—105 per cent. I think that is a good method of trying to move people to smoke cigarettes with a lower tar content, although we all know that no cigarette is what we would call 'safe'. I strongly subscribe to the use of financial incentives to

discourage tobacco consumption, and I will discuss that matter further at a later stage.

I also note that the Bill provides that at least 5.5 per cent of the revenue collected from fees for tobacco merchants' licences must be paid into a fund for the South Australian Sports Promotion and Cultural and Health Advancement Trust. The functions of the trust are to promote and advance sports, culture, good health and healthy practices, and the prevention and early detection of illness and disease related to tobacco consumption.

I also note that in the contentious part of the Bill, under section 47, with regard to smoking in enclosed public dining and cafe areas, there will be a total ban for these enclosed areas used for the consumption of meals, with some exemptions. I am sure with further debate on this section we will be able to come to some sensible agreement. Debate has centred on the tax and on section 47, the premises: but why not look upon this Bill, which seeks to curb and restrict smoking, as a marvellous strategy, after immunisation, in preventative health? We must congratulate the Minister for Health for this initiative.

First, let us look at the history of tobacco. Tobacco was brought into England in the fifteenth and sixteenth centuries during the reign of Queen Elizabeth I by Sir Walter Raleigh, as we all know. The monarch who followed, James I of England and VI of Scotland, is reputed to have said of smoking, 'a custom loathsome to the eye, hateful to the nose, harmful to the brain and dangerous to the lungs'. That was many years ago in the sixteenth century. The smoking custom was brought over to Australia by the earliest convict settlers.

On the drug-related deaths in Australia in 1992 tobacco claimed 83 per cent, alcohol claimed 16 per cent and other illicit drugs claimed only 1 per cent. Each day four South Australians die from diseases caused by smoking tobacco, compared to 2.5 deaths every five days due to road accidents.

Let us look at the ill-effects of active smoking on health. First, in the 1920s and 1930s doctors and scientists noticed that more patients were developing lung cancer. In 1950 research from the USA and England identified smoking as a cause of the rise in lung cancer. It is the leading cause of death from cancer in Australian men, with 4 810 deaths in 1994, and is the second most common cause of cancer in women after breast cancer, with a total number of 1 886 deaths in 1994. As some people have quoted, smokers are 10 times more likely to die from lung cancer than non-smokers. 84 per cent of lung cancers in men and 77 per cent in women can be attributed to smoking.

Secondly, smoking is one of the major risk factors related to coronary heart disease—or, in lay terms, heart attack. Smokers have a 70 per cent greater rate of death from coronary heart disease than non-smokers.

Third: chronic lung disease. In this disease the lungs over-secrete, which results in a chronic cough and phlegm production, thickening of the airways resulting in breathing difficulties and damage to the small lung sacs, causing destruction of these sacs—a condition known as emphysema. This results in the reduction of lung capacity, and its symptoms are wheezing and a shortness of breath. Fourth: stroke. This is most noticeable before the age of 64, when 44 per cent of men and 39 per cent of women have strokes caused by smoking.

Fifth: peripheral vascular disease. This disease is a narrowing of peripheral arteries and can be observed in the leg arteries. This can further lead to blockage of the artery

and possibly the need to later amputate the leg. Nine out of 10 patients with this disease are smokers.

Sixth: other ill-effects. Smoking is also a risk factor associated with cancer of the lip; cancer of the oral and nasal cavities and of the pharynx; cancer of the bladder, the kidney, the pancreas, the stomach and the cervix; there is lowered fertility in both men and women; miscarriage, stillbirth, low birth weight and death in early infancy; and associated factors of osteoporosis and asthma. That is all to do with active smoking.

There are also ill-effects of passive smoking on health. Until the 1980s other people's smoke was thought to be a nuisance rather than a health hazard. However, since the mid 1980s, world-wide research has shown otherwise. In a report of the NHMRC in 1986 on the effects of passive smoking on health, the major findings were smoking during pregnancy decreases birth rate and increases perinatal mortality. There is some evidence to suggest that parental smoking contributes to reduced lung function in children and may trigger asthma attacks in children who suffer from asthma. Another finding is that the inhalation of passive smoke by non-smokers commonly causes acute irritant effects in the upper and, to a lesser extent, the lower respiratory tracts. Finally, there is mounting evidence to suggest that passive smoking may increase the risk of occurrence of lung cancer.

The US Surgeon-General in 1986 in a report entitled 'The Health Consequences of Involuntary Smoking' found that involuntary smoking is a cause of diseases, including lung cancer, in healthy non-smokers; that children of parents who smoke compared with children of non-smoking parents have an increased frequency of respiratory infections, increased respiratory symptoms and slightly smaller rates of increase in lung function as the lung matures.

Another factor is that the simple separation of smokers and non-smokers within the same air space may reduce, but does not eliminate, the exposure of non-smokers to what we call ETS (environmental tobacco smoke). And there have been many more reports since the early 1980s up to this time. We are also aware that there have been numerous legal actions taken by individuals, with compensation payouts of \$65 000 to \$85 000, and there is a litany of compensation cases for exposure to environmental tobacco smoke in the workplace from 1985 onwards into the 1990s. Therefore, although passive smoking sounds innocuous, it is an exposure which causes significant ill-health.

Let us look at the smoking rates in Australia. After the Second World War about 75 per cent of the male adult population and 25 per cent of the female adult population were smokers. The recent statistics show that smoking by men has dropped to 25 per cent, but smoking by women since 1945 has remained relatively stable at 24 per cent.

Let us look at the awful statistics for children. A survey in 1993 showed the smoking rate as follows: 12 year olds, 5 per cent; 13 year olds, 12 per cent; 14 year olds, 21 per cent; 15 year olds, 28 per cent; and 16 and 17 year olds, 26 per cent. Over a quarter of these 16 and 17 year old children smoke. This survey also showed that the annual Government revenue for South Australia from children smoking was \$4.2 million approximately—a shocking figure! The Bill provides a maximum penalty of \$5 000 if a tobacco product is supplied to a child, either directly or from a vending machine.

The major substances in tobacco products that cause harm are tar, nicotine and carbon monoxide. Tar is reported to be one of the factors that cause cancer. Nicotine is a toxic



chemical which is responsible for the addiction, as it stimulates the nervous system, increases the heart rate, increases the blood pressure and causes constriction of the skin blood vessels. In the long term, it may be a factor in heart disease, it may cause reproductive and gastrointestinal disorders and it is linked with the development of cancer.

Carbon monoxide causes less oxygen to get to the blood and therefore to the body organs and tissues. So, it is implicated in the development of heart attacks. In an article in the *British Medical Journal* (1996) a global cigarette was espoused, and the article opens with:

The time is ripe for a serious attempt to reduce the tar and nicotine content of cigarettes world-wide.

It says that progress on this has been painfully slow and that as smoking increases in less developed countries 'the global burden of avoidable diseases will soar'. The global cigarette is proposed to have a tar content of 12 milligrams and 1 milligram of nicotine by the year 2000. However, as I said before, there is no safe cigarette, only an attempt to restrict and contain the damage.

Therefore, with all these ill-effects of tobacco products, I find it difficult to accept the reasons given to me by the Philip Morris Corporation—because it breaks a tax commitment, because the inequity of tax increases will hurt low-income earners most, because small businesses selling tobacco products will be disadvantaged and because cross border smuggling will be a problem—that this Bill, which seeks to restrict cigarette smoking, is poorly conceived. All these reasons seem insignificant compared to the vast number of ill-effects of cigarette smoking. A further excuse is that the Bill could be constitutionally invalid, according to sections 90 and 92 of the Federal Act—and we await a ruling on that. In the mean time, we fully know the adverse impact that smoking has on health.

We note that the Australian market was worth an estimated \$5.4 billion in retail sales of tobacco products in 1994, and that is why we are having such tremendous lobbying upon us. The Anti-Cancer Foundation newsletter states:

There is no doubt that the tobacco industry contributes in some measure to the Australian economy, but why such a great amount of productive resource is being used to promote sickness and death rather than to promote wealth in non-harmful areas is difficult to understand.

So, I strongly support the thrust of the Bill.

**The Hon. P. HOLLOWAY:** We have heard from some Liberal members tonight how bad smoking is for us. I suggest that the people to whom that message should go are the young people in our schools and the smokers. I do not think that members opposite need to tell anybody in this Parliament that smoking is bad. The debate we have been having is a trumped up exercise to disguise what essentially is a tax grab. What we are debating today in this Bill is an increase in taxation—an increase in taxation that goes against a specific promise made by the Premier of this State and a promise made by the previous Premier when he was elected in December 1993.

This Government has completely broken its promise not to increase taxation. As I said, the new Premier made that promise shortly after he assumed office in November or December last year—not very long ago. It did not take him long to break that promise. That is really what this Bill is about. Obviously this Government has thought, 'How can we raise an extra \$5 million? Let us go back to the way it has always been done in the past: we will hit the poor old smokers or the drinkers.' One might speculate about how

long it will be before we are back here debating an increase in liquor fees, because it seems that this Government squeezes the poor old smokers and drinkers.

Another motivation behind this taxation measure is the problem that the States are now facing in the High Court—and we all know about those. There is a challenge to the constitutional validity of these taxation measures. I was reading in the *Financial Review*, I think last Tuesday, that the case was beginning in the High Court, and no doubt this is part of the problem.

What I really wanted to speak about in this debate was the disgraceful way in which the Government has handled this Bill—and there is no other word for it. This Bill began life as a tax Bill—as I have just said, it is all about getting more money—but somewhere along the way it received a health transplant. The Government has tried to disguise the fact that it is a tax grab, so we have had cobbled together a series of health measures to try to give this Bill some credibility. That is why we hear members opposite espouse these health issues: they really do not want to say too much about the fact that this Bill will increase taxation by \$5 million.

I want to say something about the disgraceful life that this Bill has had. It began as a tax measure from the Treasurer, and was introduced into Parliament some time back. Then apparently the Health Minister had this great idea that he would try to give it a health transplant—get away from the tax measure and make it look like it was a health measure. He came up with a way of trying to restrict smoking and put a proposal to the Government Party room. Then a week later it was reconsidered—but by this time the Bill already had been debated in the House of Assembly: the second reading speeches had already been made.

As I understand it, the Liberal Party had a special Party meeting to consider it the next day, and quite major amendments of several pages introducing a completely new concept of banning smoking in restaurants appeared before the House of Assembly a few minutes before the Committee stage of the Bill and after the second reading speeches had occurred—a quite unprecedented and disgraceful situation and a complete abuse of parliamentary procedures.

What horrifies me is the way in which the Australian Democrats—these people who tell us that they want to keep the bastards honest—have behaved in all this. What the Australian Democrats are doing is keeping the bastards dishonest: they are keeping this Government dishonest in breaking an election promise, and they are also aiding an abetting the breach of parliamentary procedures which, on many occasions in this Council, they keep telling us *ad nauseam* is so dear to their hearts. It is a pity they do not practise what they preach.

*The Hon. A.J. Redford interjecting:*

**The Hon. P. HOLLOWAY:** The Hon. Angus Redford says that they help us out. Whatever the Democrats have done in this past, on this occasion they are keeping the bastards dishonest. Even when this Bill was being debated in the Committee stage in the House of Assembly, the Minister for Health was introducing amendments to his own amendments to the Bill.

I listened to some of the debates in the House of Assembly and, at one stage when my colleague, Trish White, was speaking to this Bill, she was handed, while she was debating the very clause to which she was speaking, amendments from the Government which were amendments to the amendments which it had previously moved. What a shambles it was. But the story has not ended there. We have now had circulated

today from this Government more amendments to the same procedures. In fact, there are actually two lots of amendments. So we now have amendments to amendments to amendments to amendments to this Bill. What a way to conduct legislation. As I said, this legislation all began—

**An honourable member:** And another Minister.

**The Hon. P. HOLLOWAY:** We will come to that later. This all began when the amendments first came in on the very day the Bill was being debated—indeed, minutes, not hours, before the debate was conducted. How can the Australian Democrats possibly justify their stance in letting this sort of behaviour by the Government take place?

The convention within this House has been that whenever legislation, particularly substantial legislation like this covering 40 pages, is introduced, there should be time for Opposition Parties to consult about that legislation. As I said, major changes were introduced by the Minister just minutes before it was debated. The legislation finally passed the House of Assembly and came into this House very late—just minutes before this House adjourned on the last sitting day—and here it is, the next sitting day back, and we are debating it again.

Why are we doing that? The Hon. Sandra Kanck gave us a reason: apparently, the Government is worried that some of its backbenchers are a little unhappy with this legislation. These are the words of the Hon. Sandra Kanck herself: she said that she was afraid that if more time was given to discuss these matters there might be some crumbling on the Bill and it might not get through. What sort of reason is that from a Party that prides itself on 'keeping the bastards honest'?

As I said earlier, the reason why we had these amendments to amendments to amendments was to try to give the Bill some credibility and to try to hide the fact that it is a tax grab. First, the Treasurer was handling the Bill and then later the Minister for Health. At one stage they were both sitting there together and tossing a coin to answer particular questions, presumably based on whomever won the toss of the coin.

It has been such a mess. The Minister for Health, who has made such an appalling mess of it, has now gone overseas—and no doubt members of the Liberal Party were happy to see him go. The Deputy Premier, Mr Ingerson, has now apparently taken control of this Bill. It appears that we are going full circle.

Issues which were raised in the House of Assembly a week ago and which the Minister said he would not countenance—issues with which he totally disagreed—are now being undone. What a circus, what a shambles and what a way for a Parliament to handle legislation. It is disgraceful. Anyone who looks at this whole episode would have to conclude that it has not done this Parliament—in particular, this Government or the Australian Democrats—any credit at all.

I want to say something about the taxation measures which I will be voting against when we consider clause 7 of this Bill during the Committee stages. It introduces a tax which is based on tar content. Even those who are most opposed to smoking—those people in the Heart Foundation and Anti-Cancer Foundation—agree that this is not a particularly good parameter on which to determine taxation. If you are considering the adverse health effects of cigarettes, you must consider nicotine, carbon monoxide and tar, all of which are considered to be deleterious to health. Why pick one of them? It is not a good parameter and it is not a particularly good tax.

The only health benefit to be derived from this new tax will be the impact of the price increase itself. As we all know, since cigarettes are addictive and therefore are price inelastic, any increase in the price will have a relatively small effect on consumption. It gives the lie to the fact that this is somehow to do with health.

The other point I wish to make about the measures which the Minister for Health rushed in last week as a justification for introducing this Bill is that they only apply in two years' time. Why has this Bill had to be debated in such quick time when it does not apply until two years from now? Why? What is the reason for the hurry?

I am not a smoker and I have never smoked, but I am the parent of teenage children, and I believe that those children should be protected from people who might want to promote smoking. Yet this Government has done absolutely nothing—

*The Hon. A.J. Redford interjecting:*

**The Hon. P. HOLLOWAY:** I do not know why the Hon. Angus Redford is laughing, but my concern is that this measure that the Government is putting forward does absolutely nothing to address the problems of under-age smoking. Indeed, I received a letter from the Anti-Cancer Foundation and Heart Foundation, opponents of cigarette smoking, which states:

The restrictions on sales to children are important, and quite possibly could be a very effective deterrent to children's smoking but it depends on how these are implemented and enforced, and the details about this are not in the Bill. . . An allocation of \$600 000 a year, as has been the case for the South Australian Quit Campaign for several years, is simply too small to have a meaningful effect. If the State and Federal revenue derived from the tobacco consumed by our school children, \$4.2 million annually, was spent on programs designed to reduce smoking, then this would be an adequate resource allocation. Of course, it is also self-correcting. As the problem of juvenile smoking falls, so will the amount spent on the program.

This is what the people who are most against smoking in our community think about this particular Bill. Even if it is judged by its effects on health, it is a failure, getting two or three out of 10 at the very best. It is total hypocrisy for members of this Government to put forward this Bill as though it will be a saviour of our health. It fails badly. It does not address the key health issues. It bases the taxation measure on a parameter which is only one of the peripheral factors in relation to health. And it does not address some of the more serious problems such as under-age smoking. Why have we had this Bill rushed through? It is simply that this Government wants to disguise the fact it wants to rip an extra \$5 million off the poor old smoker. That is what the Bill is about. All this peripheral debate about health measures is a smokescreen to try to disguise that fact.

I conclude by saying that I have supported most of the changes towards smoking that have taken place over the years. I believe that 10 years ago when evidence was first provided about passive smoking changes probably needed to be made. But we have got to the stage now where the pendulum has swung and is now in danger of swinging too far. As in most other areas of life, we need a balance here. Certainly, we need to protect the rights of those who do not smoke and do not wish to smoke, but we also need to respect the rights of smokers, provided that adequate attention is paid to the impacts upon others—and members tonight have discussed how that might take place. Provided that happens, we should stick to the balance. After all, smoking is a legal activity, and I think it is important that, in our legislation, we should have a situation where not only the rights of non-smokers are protected but we should, as far as reasonably can

be done, permit those people who wish to smoke to be able to undertake those activities as they wish.

I think we are in danger of going a bit too far. I think there are some dangers in the way we are heading. After all, we have the situation now where probably the front bars of hotels are the last refuge of smokers. A lot of people who never go near those places wish to save others from themselves. The fact is that effective legislation has to achieve a balance. It has to respect the rights of all people.

In conclusion, I look forward to the Committee stage of this Bill where we can oppose this iniquitous tax measure, this broken promise tax measure of this Government. I look forward with some interest to see what the final amendments will be that come before us as far as these so-called health measures are concerned. I do not want to give any more credibility to this Bill as a health measure. It is a tax grab, pure and simple, and I will be treating it as such.

**The Hon. A.J. REDFORD:** I want to raise some issues and questions I am concerned about. Comments concerning the handling of this issue have been made in the other place and here by both Government and Opposition members. I do not think that adding my comments and views on the handling of the Bill, the consultation process and the lack of a clear and well thought out position on the part of the Government would be helpful at this stage.

It is not often that criticisms by the Opposition are valid. Indeed, I listened with interest to the contribution of the Hon. Ron Roberts. As per usual, it was convoluted, poorly delivered, full of rhetoric, not germane to any particular issue of principle and repetitive. I know that all members—

**The Hon. R.R. Roberts:** You weren't even in the Chamber.

**The Hon. A.J. REDFORD:** I was listening to you. I know that all members here are used to that. I know that some of us look at his contributions as practice for going to boring meetings and listening to boring know-alls. What really galls me on this occasion is that he is substantially right! It is rare that I see someone who is so right put something so poorly.

I understand and respect the strong views and conscientious belief of the Minister for Health on the topic of smoking and cigarettes. It may well be that he will be judged as a reformer of great merit in 20 years' time. I just hope that the ordinary people who run the important business of hospitality, tourism and recreation are acknowledged as those who will suffer the worst consequences of this Bill and its implementation.

To that end, I congratulate the AHA, the Licensed Clubs Association and the Restaurant and Catering Industry Association Incorporated, and their respective executive directors, Ian Horne, Brian Kinnaird and Jenny Ellenbrook. They have been placed in an invidious position. They have been treated unfairly and, notwithstanding that, they have played the game by the rules and sought to inject some commonsense into this matter. I thank them and, for my part, I apologise to them and their members for the way in which they have been treated. I hope that their members do understand and recognise the important role played by their representatives. I understand there will be some sober consideration of some of the issues in coming months and years, and I am sure that cooler heads may prevail in the future. My position on this topic is simple.

*The Hon. Diana Laidlaw interjecting:*

**The Hon. A.J. REDFORD:** Do not draw me into it, Minister, because it will get embarrassing. My position on

this topic is simple. It is that self-regulation is the appropriate course of action. However, after long and lengthy debate in the Party room—

**The Hon. Diana Laidlaw:** You didn't have the numbers.

**The Hon. A.J. REDFORD:** The Minister interjects and, if she wants to interject, I will go down that path, but I suggest it is not in her interests to do so. My position on this topic is simple. It is that self-regulation is the appropriate course of action. However, after long and lengthy debate in the Party room to which, I might add to no-one's surprise, I made a strong contribution, I was rolled. As such, my current inclination is not to oppose this Bill nor to vote with the Opposition, subject to some clearer explanation by the Minister on some of the Government amendments.

First, let me deal with the Bill. It has a number of parts, including (a) objects, which state that there should be an economic disincentive to the consumption of tobacco, to reduce the incidence of smoking, to protect non-smokers from the risks of passive smoking, and to promote sports and healthy practices; (b) to establish a licensing system; (c) to establish a series of controls on tobacco; (d) to establish the Sports Promotion, Cultural and Health Advancement Trust, formerly Foundation SA and now Living Health; and, finally, to implement procedures concerning the administration of the Act, the application of revenue and incidental purposes.

I will make one comment on the objects and taxation aspects. The level of hypocrisy that is being implemented in relation to State taxes has been shared by both Labor and Liberal Governments. It has been shared for one very simple reason—and I will not go into a great dissertation on it—and that is the limited tax bases that the States currently enjoy and the extensive tax base the Commonwealth enjoys. In fact, in order to make taxation measures not fall foul of the Australian Constitution by the High Court, issues such as this are often dressed up by Governments, both Labor and Liberal, as health measures. On any analysis, one would conclude that there is and has been very little evidence to show that any taxation measure has had any effect one way or the other on the incidence of smoking.

*The Hon. T.G. Cameron interjecting:*

**The Hon. A.J. REDFORD:** I agree wholeheartedly with that interjection. We have been doing this since 1989, and the consumption of tobacco has remained unchanged. I will come back to some issues on that later. There is a considerable degree of emotion involved in this issue, from those whose livelihoods are dependent upon enough money to continue discredited and failed anti-smoking campaigns, to those who are involved in the industry itself. Indeed, the level of hypocrisy is greater on the former than the latter. The degree of emotion sometimes borders on hysteria, and often information and statistics can be distorted.

I well remember the anti-smoking advertising of some 15 to 20 years ago when the famous Yul Brynner, one of my favourite actors, in his late 70s, appeared on TV and blamed cigarettes for the fact that he was dying, and urged people not to smoke. For those in their teenage years and their early 20s, the advertisement had no effect. Indeed, at that age, if you had the prospect of living to the late 70s, it seemed to be forever.

I listened with interest to the contribution of my colleague the Hon. Bernice Pfitzner, and the Hon. Anne Levy interjected at one stage and referred to Deng Xiao Ping, who died in his early 90s. I just wondered whether he might have been suffering from some of those complaints.

To some extent, it is disappointing that the anti-tobacco lobby is sometimes full of rhetoric and hysteria, and in my mind it does its cause no justice. Indeed, the Australian Bureau of Statistics—and the Hon. Jamie Irwin referred to this—reports that people who died of smoke-related illnesses died at an older age than those who died from other causes. I am not saying that smoking is not harmful to one's health, but I am saying that I suspect the hysteria of the anti-smoking lobby, and treat its viewpoints with some degree of cynicism.

I want to cover briefly the following three issues: taxation, restaurant dining and the performance of Living Health. First, in relation to taxation, section 9 provides that a person shall not consume tobacco unless they hold a consumption licence. If they do not hold a consumption licence they have to buy from a licensed merchant. The Bill sets out that it costs about \$600 a year—or one can pay \$150 a quarter—for a consumption licence. My inquiries have revealed that, if an average smoker purchases cigarettes from a licensed merchant, they will pay approximately \$1 000 per annum. Thus it would appear that an average smoker who gets a consumption licence and then sources his tobacco from sources other than licensed merchants would save approximately \$400 per year. I am a heavy smoker and would probably save a lot more.

*The Hon. T.G. Cameron interjecting:*

**The Hon. A.J. REDFORD:** I am not sure about that, but I am sure the honourable member will ask that question at the appropriate time. I question this tax regime because, unlike the Hon. Bernice Pfitzner, I do not for a second think that this taxation regime will have any effect on the consumption of tobacco. No evidence has been provided that it will. I would like these questions to the Minister answered before we deal with this matter in Committee, which I understand will be late tomorrow evening, so he has time to provide it. Given the speed with which he has managed to achieve other things, he has set a good precedent. My questions to the Minister are:

1. If I have a one or two packet a day consumption, can I save money by buying a licence at \$600 per year and can the Treasurer estimate precisely how much money I will save?

2. What will the Government response be if merchants decide that they will not obtain a licence and only provide cigarettes to those people who manage to be able to afford \$150 a quarter or \$600 per year for a consumption licence?

3. If the bulk of smokers or regular smokers purchase a consumption licence, what will be the net effect on general revenue of that action?

4. What does the Government expect to collect in the next financial year over and above that which it would have collected if it had not implemented this tax regime?

5. What would be the Government's response in the event that people decide to obtain a consumer's licence and avoid the tax regime that applies in relation to merchants, and will that put at risk the whole of the taxing scheme implemented by this State in order to avoid the Commonwealth Constitution and the various High Court decisions?

My second topic is that of Living Health. I share the concern of John Quirke MP in the comments he made in *Hansard* in the other place. I am a little concerned at some of the figures that have been provided and I have analysed the Auditor-General's Reports for 1994, 1995 and 1996. It is interesting to note that, despite having a substantial budget and having spent about \$8 million in four years on health, which one would assume would discourage smoking, there appears to be an overall general trend in terms of increasing income. I well recall the time John Cornwall stood up and

moved for the introduction of Living Health (or Foundation SA as it was then known). It was his view that this company would slowly disintegrate with the decreasing consumption of cigarettes and that in the not too distant future it would be closed down because of declining revenues. In the year ending June 1993 its gross income was \$9.6 million. To the year ending 1996 its gross income was \$11.5 million. I would be interested to know whether that reflects an increase in consumption and is it indicative of a failure on the part of Living Health or Foundation SA in its object of decreasing consumption?

It is appropriate that I express one of my personal concerns in relation to Living Health and some of its practices. Occasionally I go to the races and enjoy so doing—it is a good day out and I can thoroughly recommend it to all members here. Only about 18 months ago the moneys provided to the South Australian Jockey Club were provided on the condition that all public areas at the races became smoke free. I well recall that this body was first introduced on the basis that its primary scheme would be to replace tobacco sponsorship and that is what it did for a relatively short period of time. It then mixed up its object of discouraging smoking with a replacement of tobacco sponsorship, ultimately to the overall detriment of racing. It has been reported to me that since this ban was implemented the oncourse attendances at the South Australian Jockey Club have declined dramatically. The reason for that is—

*The Hon. R.R. Roberts interjecting:*

**The Hon. A.J. REDFORD:** If you look at the graphs it coincides with the smoking ban and if one looks at attendance figures at the Norwood Hotel, which has a terrific betting facility and in which one is allowed to smoke, one finds that its attendances have increased dramatically. I talk to an amazing number of people whom I no longer see at the races presenting themselves on course but who do off course betting. They explain that they do so simply because they are not allowed to smoke at the races. That is unfortunate.

*The Hon. P. Holloway interjecting:*

**The Hon. A.J. REDFORD:** The honourable member interjects and says that attendances are declining at Football Park. It is a little early yet—the gloss of the Crows has not yet worn off.

**The Hon. Diana Laidlaw:** I think he was being cynical.

**The Hon. A.J. REDFORD:** I know he is; I am not stupid. However, they attract a different crowd. The racing industry is a significant one. For the Minister to stand up and say that this will not have an effect on trade is absolute palpable, complete and utter nonsense. People will not go to restaurants in the same numbers as they did before. If we look at the American situation—and I know that there are certain elements (and I will not name them unless provoked) who have sought to distort that fact—the fact is that their incomes will decline. It does not matter which way you look at it or at what experiment you look: their incomes will decline and they will bear the brunt of this crusade. There is absolutely no doubt about that.

It has been represented in certain quarters that it will not happen and that the industry is in favour of it. I have since received correspondence that says that it is palpable nonsense. If you want me to come out of the box, I will say it. The other issue that concerns me is how Living Health has implemented its budget. A series of questions have been asked in another place.

I understand that John Quirke MP asked questions about a box at Football Park. I am not sure whether Living Health

or Foundation SA actually had a box at Football Park, but the Minister did respond that it has since closed. I understood that they had a box at Adelaide Oval. In relation to corporate boxes, whether they be at Football Park, at the cricket or the Entertainment Centre, I would be most grateful if the Minister could provide us with full details of the costs of having those facilities, the purpose for which those facilities were leased, what benefits Living Health got from those facilities and what those facilities cost. I would also be most interested to know how the organisation determined who was to be invited to these corporate boxes or to other events conducted by them or provided by them and for what purpose and whether there were any set criteria in determining that.

*The Hon. T.G. Cameron interjecting:*

**The Hon. A.J. REDFORD:** The honourable member interjects that they only invited non-smokers, so one might assume that they were preaching to the converted, which is never a really successful political strategy, as the honourable member would appreciate. I would also be most interested to know what targets Living Health has in relation to the reduction of smoking and what specific statistical targets does Living Health have and when does it hope to achieve them? In other words, is there a specific statistical benchmark from which we can determine the success of Living Health in its objectives? I am also interested to note that it changed its name. I would like to know why there was a name change. Members on both sides of the Council have commented about that and I would like to know how much it cost.

Clause 57 sets out a number of objectives. I have received a copy of the Opposition's amendment in regard to its separate fund and I am interested to know whether or not the Opposition's amendment, if successful, would establish an entirely separate and different body to carry out and undertake precisely the same tasks as Living Health. I would make a gratuitous comment about the Opposition's amendment: it appears that the Opposition is endeavouring to implement a new form of competition, that is, it will set up another body conducted by the Health Commission to carry out precisely the same task and responsibility as Living Health. I understand that they have been a little rushed and have only had three or four weeks to consider this but I just cannot understand how they think that a competition policy of this nature could possibly be of any assistance to anyone.

In regard to Living Health, I would also be interested to know what the cost of grants are in relation to recipients. I understand that recipients are required to put 'Living Health' on letterheads and are obliged to comply with certain conditions. I would like to know whether Living Health has conducted any evaluation of what it costs the recipients of grants to enable them to comply with the conditions and/or attract the grants that Living Health gives out. I would also be interested to know why the Heart Foundation did not receive any funds the year before that. One would have thought that the Heart Foundation, a pre-eminent body in this area if one accepts what the experts say, would have received consistent funding over the years, having regard to the objectives that it set out. Therefore, it seems extraordinary that last year it received nothing and this year the foundation received \$7 000, based on the information provided to me. Is it any wonder that members of Parliament get letters critical of us or Governments that organisations are not getting any money when Living Health adopts the sorts of policies that it adopts? I will be most interested to hear its comment on that. Also, how many applications are made from Living

Health and how many are rejected? Has the Minister any concerns about the performance of Living Health?

In that regard I draw members' attention to a contribution I made following the Auditor-General's Report on 17 October 1995, some 18 months ago, when I stated:

I would be grateful if the Minister could arrange for Foundation SA to provide me with the information on the amounts of money paid to each of the sponsorship areas referred to at the bottom of page 317 of the Auditor-General's Report. I should also be grateful to receive information as to precisely who received those moneys. For the benefit of members who do not have the report these are the actual grants made to various sporting and art bodies. I also note on page 320 that moneys were spent on market research and general consulting services. In that regard I ask the Treasurer—

it should have been the Minister—

to provide me with details of the nature and purpose of the market research.

I have searched my records and I do not appear to have received any response to those questions and I would be grateful, if the Minister has them or does not have them, if I could have an answer to those questions for both that financial year and the last financial year. Indeed, I have never seen a copy of an annual report in relation to Foundation SA and I know a number of statutory authorities take the trouble to ensure that all members of Parliament receive a copy. I would be obliged if the Minister could advise to whom annual reports are distributed, what are the costs and why copies are not provided to all members of Parliament? I would also be interested to know whether there has been a comparison in the performance of Living Health with VicHealth and, if not, why not? And if so, what in general terms has been the comparison in performance? Also, I note that there are some \$4 million in reserve. What are those reserves for? If they are for forward commitments, what are they and can they be specified? Also, I note there is an amount for rent for \$127 000 in the accounts. To whom is the rental on the leased property paid and for how long is that lease for?

Finally, I turn to the Government's amendments. I will not comment on them at this stage and I will wait for the Committee stage, except to say that I congratulate the Deputy Premier, who had an extraordinarily difficult job both in implementing a decision that was almost impossible to implement and, at the same time, endeavouring as best he could to be reasonable. Having watched the debate and having read *Hansard* in another place, there was an issue about exemptions and I see that the Government's amendments refer to exemptions. In that regard the clause reads:

An exemption in respect of an area within licensed premises—

- (a) may be given on written application by the licensee in a manner and form approved by the Minister and accompanied by the prescribed fee;
- (b) may be subject to conditions fixed by the Minister, which may include conditions requiring—
  - (i) the display of signs;
  - (ii) the installation, operation and maintenance of ventilation and air-conditioning equipment;
  - (iii) The maintenance of a bar or lounge area as a distinct area separated by at least one metre from an area occupied by tables and chairs used for meals. . .
- (d) may be varied or revoked by the Minister on application by the licensee or on contravention of or non-compliance with a condition of the exemption.

It goes on to provide for an appeal to the Licensing Court of South Australia. That is a simple, straightforward piece of legislation—and I see members opposite nodding their head. What concerns me is that there is no reference in this amendment to the basis upon which the Minister is to exercise his discretion. I would be interested if the Minister could provide me with a legal view on how this provision is

to be administered and what restrictions and requirements are provided regarding the Minister. This is my reading of it, but I am willing to stand corrected. If I am correct in my understanding, if the Government wants the Bill to go through this week, I invite it to reconsider urgently the drafting of this amendment.

My understanding of this amendment in lay terms is that the Minister has a complete and unfettered discretion as to whether or not he will grant an exemption and that, if the Minister exercises his discretion to grant an exemption, he has the power to impose conditions in relation to three discrete areas: signage, ventilation, and the separation of a distinct area. It seems to me that it would be almost impossible to test the criteria under which a Minister may make a decision in the Licensing Court. It would appear on my reading of this amendment that the Minister has a complete and unfettered discretion. This Minister will not be Minister forever—there is an end to all our careers—so I wonder how the Minister can be prevented from exercising his or her discretion unreasonably either in granting an exemption too freely or refusing to grant an exemption.

To put it in another way, can the Minister point to anything which would prevent a Minister, who might be an anti-smoking zealot, from refusing to grant an exemption in respect of every single application that is put to him, because on my reading of this amendment the Minister is not restricted from taking that course of action as a matter of policy. I could well be wrong. If so, I would be most grateful if the Minister would provide some legal argument that states precisely why I am wrong. If I am correct, then this is a dangerous piece of legislation. It is dangerous not only for the hospitality industry but for the Minister. I would have thought that the Minister would want to have some criteria upon which he or she could exercise his discretion.

I would be grateful to know whether or not the Minister would consider giving a Minister power to provide an exemption if licensed premises display the appropriate signs and install appropriate air-conditioning equipment and maintain a distinct area. On that basis, if the Minister were being obtuse, unfair, arbitrary or capricious, the right of appeal to the Licensing Court could be exercised. I am sorry to speak in so much detail on this amendment, but I would like an answer tomorrow before I make up mind on this as to whether my interpretation is correct. If it is correct, I would like to know whether that is the understanding of the three parties who signed off on the agreement yesterday that this was an appropriate amendment. If it makes it easier, if those parties have obtained legal advice to that effect, and if the Minister tables that legal advice, I will be satisfied.

I would hate those interest groups and their members, who have been patient with us and supportive of us and who have endeavoured to consult with us as best they can, to be disappointed because they might have misunderstood the real effect of the amendment. Indeed, I would hate to see the Licensing Court put in a position of having nothing to fly with and no basis upon which it could determine whether or not a Minister had made a right or a wrong decision. In conclusion, there is always a good side to everything. I know of three or four, probably eight, lawyers who will make an absolute bucket out of this.

**The Hon. Anne Levy:** They always do.

**The Hon. A.J. REDFORD:** The Hon. Anne Levy interjects that they always do, except when it comes to legal aid. I am happy that I am now here when I think of those legal practitioners. Every licensed premise will have to go to

a lawyer during the next couple of years. They will have to go to the local partition company to get them made up. They will then have to get the lines drawn—I am not sure how they will do that. They will then have to get their air-conditioning and signs sorted out, pay some money to the Minister and then go to the legal profession. Given that a significant part of their livelihood will be dependent on that, I am sure that certain members of the legal profession will do very well and will be extremely grateful to the Minister and the Government. I am also sure that, to some extent, there will be an electoral win in that regard.

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

### STATUTES AMENDMENT (SUPERANNUATION) BILL

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

**The Hon. R.I. LUCAS (Minister for Education and Children's Services):** 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.

This Bill seeks to make a number of minor technical amendments to five Acts establishing superannuation schemes or arrangements.

The following Acts are proposed to be amended under this Bill:

- Judges' Pensions Act 1971
- Parliamentary Superannuation Act 1974
- Police Superannuation Act 1990
- Southern State Superannuation Act 1994
- Superannuation (Benefit Scheme) Act 1992.

Specifically the Bill proposes amendments to all the before mentioned Acts to provide more flexible accounting procedures as a consequence of the Government funding for the employer liabilities. In order to reflect this change, the Acts are being amended to enable the Treasurer, if he wishes, to pay both employee and employer contributions into special deposit accounts held in the name of the Treasurer. This proposed amendment is merely a procedural matter and has no impact on the operation of the schemes, the funds, or members' benefits.

The second group of technical amendments being proposed in the Bill deal with the ability of the Superannuation Board to meet the actual costs of administering the Southern State Superannuation Scheme (Triple S Scheme) and the State Superannuation Benefit Scheme (SSBS) on an ongoing basis throughout the year. At the present time there is no provision for the administrative expenses to be met during the year, but only at the 30 June. Collection of the administrative expenses before 30 June is only possible under the existing legislative provisions where a benefit is being paid to a member. At present the Department of Treasury and Finance is meeting the administrative expenses from its own departmental operating account and recovering these expenses at the end of the year. The amendments will make provision for these expenses to be recovered in a more timely fashion from the fund or account in which the employer contributions are held. The charging of the prescribed administration fee to members' accounts will still remain as part of the normal 30 June updating of members' accounts. As part of the amendments to the arrangements for charging the administration fee, the formulae which are used to update members' accounts have been modified to reflect the fact that an administration fee is charged in respect of each year. Modifying the formulae will give a more comprehensive picture of the updating process and the components that are part of that process.

The third group of amendments are consequential on amendments made in December 1996, to the *Police Act 1952*. Those recent amendments made the appointment of the most senior commissioned police officers subject to a contract. In line with the requirement that each employment contract must contain the terms and conditions of employment, it is proposed to modify the existing requirement in the *Southern State Superannuation Act* that all newly appointed police officers must be members of the Triple S Scheme. The effect of the

amendment in the Bill will enable superannuation to be dealt with like other terms and conditions, within the contract document. This will not alter the fact that contract officers may if they wish, elect to be members of the Triple S Scheme under the Southern State Superannuation Scheme.

Explanation of Clauses

PART 1

PRELIMINARY

*Clauses 1, 2 and 3*

These clauses are formal. Clause 2 provides for the retrospective operation of clauses 16 and 17 of the Bill. These clauses are included as a consequence of amendments to the *Police Act 1952* in 1996.

PART 2

AMENDMENT OF JUDGES' PENSIONS ACT 1971

*Clause 4: Amendment of s. 14—Payment of pensions*

This clause brings the method of paying pensions up to date in the *Judges Pensions Act 1971*

*Clause 5: Amendment of s. 15—Refund of certain contributions*

This clause is consequential.

PART 3

AMENDMENT OF PARLIAMENTARY

SUPERANNUATION ACT 1974

*Clause 6: Substitution of s. 39*

This clause makes a change to the *Parliamentary Superannuation Act 1974* to enable the Treasurer to use a special deposit account for the purpose of paying pensions.

PART 4

AMENDMENT OF POLICE SUPERANNUATION ACT 1990

*Clause 7: Amendment of s. 4—Interpretation*

This clause defines the term 'special deposit account'.

*Clauses 8, 9, 10 and 11:*

These clauses amend the *Police Superannuation Act 1990* to facilitate the use of special deposit accounts.

PART 5

AMENDMENT OF SOUTHERN STATE

SUPERANNUATION ACT 1994

*Clause 12: Amendment of s. 3—Interpretation*

This clause defines the term 'special deposit account'.

*Clause 13: Amendment of s. 4—The Fund*

This clause amends section 4 of the *Southern State Superannuation Act 1994* to facilitate the use of special deposit accounts.

*Clause 14: Amendment of s. 9—The Southern State Superannuation (Employers) Fund*

This clause makes an amendment that will streamline the reimbursement of the Consolidated Account and the Treasurer for the employer component of benefits and administrative costs paid by the Treasurer. New subsection (3)(b) is consequential on the repeal of section 29.

*Clause 15: Amendment of s. 12—Payment of benefits*

This clause amends section 12 to facilitate the use of special deposit accounts.

*Clause 16: Amendment of s. 19—Members of the Police Force*  
 Clause 16 amends section 19 of the *Southern State Superannuation Act 1994*. Section 19 provides that all members of the Police Force are members of the SSS scheme. The effect of the amendment is that a police officer on a fixed term contract is not automatically a member of the SSS scheme. Such a police officer may of course apply for membership if he or she wishes to.

*Clause 17: Amendment of s. 25—Contributions*

Clause 17 amends section 25 of the *Southern State Superannuation Act 1994* to make it clear that a police officer who is on a fixed term contract who is a member of the scheme is not required to contribute at 4.5 per cent of salary.

*Clause 18: Employer contribution accounts*

This clause replaces section 27(2) and (4) of the principal Act. New formulas are inserted which provide for an administrative charge 'C' to be deducted from the amount credited to members accounts. A number of changes consequential on the inclusion of the administrative charge are included in new subsections (2) and (4).

*Clause 19: Repeal of s. 29*

This clause repeals section 29 of the principal Act.

PART 6

AMENDMENT OF SUPERANNUATION (BENEFIT SCHEME) ACT 1992

*Clause 20: Amendment of s. 7—Members' accounts*

This clause makes changes to the *Superannuation (Benefit Scheme) Act 1992* that are similar to the changes made by clause 16 to the *Southern State Superannuation Act 1994*.

*Clause 21: Repeal of s. 11*

This clause repeals section 11 of the principal Act.

*Clause 22: Substitution of title*

This clause replaces the heading to Part 4 of the *Superannuation (Benefit Scheme) Act 1992*. The existing heading is the same as the heading to Part 3 of that Act.

PART 4

ENTITLEMENT TO BENEFITS

*Clause 23: Amendment of s. 17—Payment of benefits*

This clause amends section 17 to facilitate the use of special deposit accounts.

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

**ST JOHN (DISCHARGE OF TRUSTS) BILL**

Returned from the House of Assembly without amendment.

**RSL MEMORIAL HALL TRUST BILL**

Returned from the House of Assembly without amendment.

**LEGAL PRACTITIONERS (MEMBERSHIP OF BOARD AND TRIBUNAL) AMENDMENT BILL**

Returned from the House of Assembly without amendment.

**CRIMINAL LAW CONSOLIDATION (SELF DEFENCE) AMENDMENT BILL**

Returned from the House of Assembly without amendment.

**ADJOURNMENT**

At 12.33 a.m. the Council adjourned until Wednesday 19 March at 11 a.m.