## HOUSE OF ASSEMBLY

Wednesday 3 December 1980

**The SPEAKER (Hon. B. C. Eastick)** took the Chair at 2 p.m. and read prayers.

### EVIDENCE ACT AMENDMENT BILL

**The Hon. H. ALLISON (Minister of Education):** I have to report that the managers for the two Houses conferred together but that no agreement was reached. I move:

That the Bill be now laid aside.

**Mr. MILLHOUSE (Mitcham):** I take it, Mr. Speaker, that you wish debate to continue now on this motion. I see no reason why the Bill should be laid aside. The Bill dealt with two matters, one concerning the abolition of the unsworn statement, which I believe, or I assume, was the subject of a disagreement at the conference of managers; the other dealt with matters quite distinct and apart from that concerning looking at bankers' books, and so on.

There is no reason whatever why the Bill should be laid aside because there was disagreement on only one matter. If, in fact, there were disagreement on both matters and no agreement could be reached between the managers on either matter, perhaps the Bill should be laid aside. We have heard nothing from the Minister or from anybody else about that. If there were agreement on one matter but not on the other, because those matters are disparate, there is no reason in the world why the Bill should be laid aside. It can be passed with amendment which is agreeable to both Houses, or with an amendment which is agreeable to both Houses, and the other one goes out.

I say quite fairly and squarely that, if this Bill is to be laid aside it will be the responsibility of the Government, and nobody else, that it is laid aside. The Government can have, I assume, at least half the Bill, and it will ill behove the Government to go out, or indeed in here, and blame another place or any individual member for defeating the Bill. I want to make that quite clear. Of course, the other point is this: if there were no agreement between the managers of the two Houses, that means that somebody was being obdurate.

There is no more reason to blame the managers of another place for obduracy than there is to blame the managers of this place, and vice versa. I want to make that quite clear. It seems to me that in moving that the Bill be laid aside the Government is acting in a very political manner; it is attempting, or will attempt, to say that this Bill has been lost because of lack of co-operation from another place. There may have been a lack of co-operation but there was no reason why the whole Bill should be lost.

Let me make this assumption, that there was no agreement on the question of the unsworn statement—I make the assumption for the purposes of my argument. If I am wrong then perhaps the Minister or some other of the managers (and I was not a manager) can correct me, but let me remind you, Mr. Speaker, of this fact: there has been a great deal of controversy about the question of the abolition of the unsworn statement. It was originally in the Bill when it was introduced in another place, it was taken out, and the Bill came down here, and the identical amendment was put back in this place, where the Government has the numbers. In the meantime, the Legislative Council had set up a Select Committee to take evidence and to make a report to that House on this very matter of whether or not the unsworn statement should be abolished. As I understand it, that House is still waiting on the report of the Select Committee.

Of course, apart from anything else, it was an insult proffered to the other House by this House to put the amendment back and send it up there at the very time that a Select Committee of the other place was considering that matter, because it pre-empted the consideration by the Select Committee of the Legislative Council of that matter.

These things ought to be said, and I say them, and I hope members of the Labor Party will support me. If I am wrong in my assumption that that was the matter that brought the conference to grief, then I will be told. I cannot believe that the other matter was not susceptible of some compromise. It is not right to say, as I expect that members on the Government side will say, both in here and outside, that they had a promise to do away with the unsworn statement and that they have been prevented from carrying out that election promise.

**The Hon. Jennifer Adamson:** That's a fact.

**Mr. MILLHOUSE:** The fact is that the Select Committee in the other place is taking evidence on it and, for all any of us know, the report of the Select Committee may be in favour of the abolition of the unsworn statement.

**The Hon. Jennifer Adamson:** The Select Committee is not the Government.

**Mr. MILLHOUSE:** Well, madam, I hope you will not interject. Let me continue. That is the position as I understand it at the present time.

Let me finally say that the Government made 40 to 50 specific promises at the last election and I put them all on notice and got acknowledgements from the Government that those were promises in their policy at the last election. Not a fraction, not one-tenth of those promises, have been translated into legislation yet. Therefore, and we still have (and the Government no doubt realises this) two years of this Parliament to go and they have said again and again that it has two years to go in which to put its promises into effect so it would not be right either to say that there is no chance for this particular promise to be accepted by Parliament. After the Select Committee in the other place has come to its conclusion it may well be that this particular matter will be accepted without controversy. Certainly there will be a delay of a few months, but that is all.

I hope that I have made what I believe to be the position clear. I was not at the conference and I am not a member of the Upper House but I suspect that I know what is going to be said by members on the other side to make Party political capital. I wanted to put the record straight immediately, and I oppose the motion to lay aside the Bill.

**The Hon. D. O. TONKIN (Premier and Treasurer):** I am grateful to the member for Mitcham for having jumped up in such a frenetic and anxious way to defend his colleague in another place, because if he had not done so I doubt whether there would have been any debate on this matter at all and the accusations and imputations that he has made against Government members would perhaps not have been able to be answered in the House. The matter of the unsworn statement was a most important issue not only with the Liberal Party and its promises before the last election but also with the great majority of the people of the State and certainly the women of the State. This is neither the time nor the place to debate in depth the pros and cons of that move. The fact remains that it is a move that had the overwhelming support of the women of this State and also of the people of this State. I make the point that no amount of defence of the honourable gentleman's colleague in another place can absolve him or his colleague from what is now happening. The fact is that the women of

this State will see their cause put back by at least months, but I hope it will be only months. I hope that when the next session of Parliament comes we will see the measure introduced again, and I hope that it will be dealt with properly, as the people of this State wish to be dealt with. I cannot accept the remarks of the member for Mitcham in any way, shape or form. They have done a great discredit to the women of this State and to the things that the honourable member himself frequently says he supports and espouses. For that reason I believe that his comments are totally unreasonable and without foundation. We will persist in our attempts, although the Bill must be set aside, to bring about the abolition of the unsworn statement as soon as possible.

**Mr. BANNON (Leader of the Opposition):** I indicate the attitude of the Opposition. We believe that due constitutional process has been carried out in considering this matter. There is a Select Committee in another place which regrettably the Government has chosen to attempt to circumvent or not to be involved in. We believe that that Committee can explore all the issues and ensure that all the rights that should be protected will be protected, and will ultimately report.

We agree with the member for Mitcham that the obduracy is on the part of the Government in this matter in not agreeing to a procedure which would allow it to be properly considered and explored by the Select Committee. That is the Government's decision, and it has a right to make it. As a result, the Bill at present has failed, and we have no choice but to support the Minister's motion.

**The Hon. H. ALLISON (Minister of Education):** It was interesting to see the member for Mitcham rise, because he came in like the proverbial tide professing not to know the background of this matter but knowing full well, since it is quite possible he held a Party meeting in the immediate past to find out precisely what had happened. An old French saying is *Qui s'excuse s'accuse:* that is, he who excuses himself accuses himself. The Opposition and particularly the Democrats have rejected the legislation that was before the House. It is a progressive piece of legislation and one that has been long needed, much sought after, and one which the Opposition espoused almost in its entirety. There may be one or two dissenters now, but they espoused it keenly when in Government. That is significant. There is something wrong within the ranks for the Opposition to have mounted to this progressive piece of legislation comparatively recently.

There were two questions before the House, of which one was the major issue; that was the abolition of the unsworn statement, the real reason why the legislation was brought before the House. It was strongly supported, particularly by the women folk in South Australia. Certainly, it was something to protect the victims. That point seems to have been missed completely by the Opposition and the Democrats in having this measure rejected. The Attorney-General was quite prepared to compromise, and I was disagreeably surprised to see the degree of prevarication that took place in the Democrat ranks of one when the issue went almost pendulum like, to be finally lost on the third swing. I must admit that negotiating in such an atmosphere was not at all a satisfactory thing from my point of view. I like people to have a firm opinion to start with.

**Mr. Millhouse:** It's only because you lost that you're saying that.

**The SPEAKER:** Order!

**The Hon. H. ALLISON:** Not at all.

**Mr. Millhouse:** Of course it is.

**The SPEAKER:** Order!

**The Hon. H. ALLISON:** I emphasise the instability, when in fact the gentleman concerned admitted that he had been under-informed after some several weeks, if not several months, and did not know that this issue was Liberal Party policy.

**Mr. MILLHOUSE:** On a point of order, Sir, as I understand the Standing Orders, no-one, not even the Minister, is entitled in this place to discuss what went on in the management conference, and that is exactly what the Minister is doing now. He is proceeding to tell us all that went on during the deliberations. If that is to continue, the whole system of conferences between the Houses will be undermined.

*Members interjecting:*

**The SPEAKER:** Order! There is no Standing Order of the House which requires the circumstances outlined by the honourable member for Mitcham. However, it has been the practice of the House that there is no revelation of the detail and the discussion which takes place in a conference of managers. I suggest to the honourable Minister of Education that he should desist from that course of action.

**The Hon. H. ALLISON:** Thank you, Sir. I accept your ruling, and I apologise to the House for what I said in the heat of the moment. I must admit that I have never experienced anything like it in six years of Parliamentary life. The second issue was the question of the banking records. That was the minor issue brought before the House, and I think everyone would realise that there had been amendments and amendments to amendments in this and in the other place, and the Attorney-General and I felt that the second minor measure was not worth supporting on its own as a separate single piece of legislation should the major piece of legislation be forced to lapse. Therefore, I have no qualms at all in affirming my motion that the Bill be laid aside.

Question—"That the motion be agreed to"—declared carried.

**Mr. MILLHOUSE:** Divide!

*While the division was being held:*

**The SPEAKER:** There being only one member on the side of the Noes, the motion passes in the affirmative.

Motion thus carried.

## PETITIONS: PORNOGRAPHY

Petitions signed by 1288 residents of South Australia praying that the House urge the Government to strengthen existing laws against the prostitution trade, reject any proposal to legalise the trade and request the Commonwealth Government to sign the United Nations convention on prostitution were presented by the Hons. E. R. Goldsworthy, R. G. Payne, and D. O. Tonkin, and Messrs. Ashenden, Bannon, Becker, Billard, Blacker, Crafter, Evans, Glazbrook, Hamilton, Mathwin, Millhouse, Olsen, Oswald, and Russack.

Petitions received.

## PETITION: TEACHERS

A petition signed by 5 residents of South Australia praying that the House urge the Government to take all possible steps to prevent the erosion in numbers of seconded teachers and support services in the Education Department was presented by the Hon. J. D. Corcoran.

Petition received.

## PETITION: NORTHERN SUBURBS WATER

A petition signed by 26 residents of South Australia praying that the House urge the Government to improve the quality of water being supplied to an extensive area in the northern suburbs was presented by Mr. Hemmings.

Petition received.

## PETITION: I.M.V.S.

A petition signed by 6 residents of South Australia praying that the House urge the Government to re-establish the Environmental Mutagen Testing Unit, to reinstate Dr. J. Coulter to his previous position and instigate an inquiry into the administration of the Institute of Medical and Veterinary Science was presented by Mr. Trainer.

Petition received.

## PAPERS TABLED

The following papers were laid on the table:

By the Deputy Premier (Hon. E. R. Goldsworthy)—

*Pursuant to Statute*—

Supply and Tender Board—Report, 1979-80.

By the Chief Secretary (Hon. W. A. Rodda)—

*Pursuant to Statute*—

Prisons Act, 1936-1976—Regulations—Prisoners Conditions.

## MINISTERIAL STATEMENT: SITTINGS AND BUSINESS

**The Hon. E. R. GOLDSWORTHY (Deputy Premier):** I seek leave to make a statement.

Leave granted.

**The Hon. E. R. GOLDSWORTHY:** I have supplied copies of my statement so that the member for Mitcham can understand it, as he requests.

**The SPEAKER:** Order! The Minister will come to the statement.

**The Hon. E. R. GOLDSWORTHY:** Parliament will resume on Tuesday 10 February 1981 following the recess.

## MOTION FOR ADJOURNMENT: PRISON REGULATIONS

**The SPEAKER:** I have received a letter, dated 3 December 1980, from the honourable member for Mitcham (Mr. Millhouse) that reads as follows:

> Dear Mr. Speaker,
>
> I wish to advise that when the House meets today I shall move that at its rising it do adjourn to 3 p.m. tomorrow, Thursday 4 December, to debate the following matter of urgency:
>
> That this House expresses the utmost regret that the regulations under the Prisons Act made last Thursday 27 November have not yet been tabled and calls on the Government immediately to table them so that any member may move for their disallowance before the House gets up for the Christmas holidays tomorrow.

As the letter has no relevancy, it is not my intention to accept it as a matter of urgency.

**Mr. MILLHOUSE:** I rise on a point of order. I suggest, with the utmost respect, that it is relevant. There is only one part of it that has been pre-empted by the late laying on of the regulations which could have been done tomorrow. The stark fact is that it will not now, without a suspension of Standing Orders, be possible for a motion for disallowance to be debated, because the time for giving notice of the motion has passed.

**The SPEAKER:** Order! I do not uphold the points of order that the honourable member is trying to make. It is not necessary for a suspension of Standing Orders to allow for a motion to be indicated. It does not follow, even if the honourable member had given notice today by way of motion, that he would have had the opportunity to debate the issue. I rule that it is not a matter of urgency, and I do not intend to allow the matter to progress beyond that.

**Mr. Millhouse:** Well, you blokes had better do something—

**The SPEAKER:** Order!

## QUESTION TIME

### ELIZABETH REGIONAL CENTRE

**Mr. BANNON:** Has the Premier now had an opportunity to be briefed by his Minister of Housing on the Government's plans for the Elizabeth Regional Centre and, if so, could he tell the House why the Government chose to offer to sell the long-term lease of the centre at this time, and whether the Government's action means that it no longer supports Elizabeth as a regional shopping centre as prescribed in its own Supplementary Development Plan. In this morning's newspaper there appears a large advertisement from Jones Lang Wootten concerning the sale of a long-term lease of the Elizabeth Regional Centre and a news report that quoted the trust's General Manager confirming that the centre is in fact being offered to private interests.

Yesterday in answer to my question concerning the Government's plans for the Elizabeth Regional Centre, the Premier claimed that he had no knowledge of the Housing Trust's intention to offer the centre to private interests. I hope that the Premier is now better informed and that he does not take recourse behind some verbal trick.

**The SPEAKER:** Order!

**Mr. BANNON:** Thank you, Mr. Speaker. Earlier this week, Salisbury council decided to allow Myers to proceed with its development at Salisbury, which has effectively meant that the value of the Housing Trust investment at Elizabeth has been written down by a figure approximating $15 000 000. It has been reported that there is genuine concern in the community that the Government is either abandoning its own stated policies so that Myers can develop at Salisbury, or, alternatively, that it has allowed a situation to develop in which Myers can now switch its plans—

**The SPEAKER:** Order! The honourable Leader is now commenting.

**Mr. BANNON:** I am sorry, Sir.

**The SPEAKER:** Order! I ask the Leader to cease commenting and deal with fact.

**Mr. BANNON:** I am dealing with what has been put to me, which is that Myers can now switch plans and acquire the Elizabeth Centre at bargain basement prices.

**The Hon. D. O. TONKIN:** I have made some investigations into the rather curious question asked by the honourable Leader of the Opposition yesterday.

**Mr. Hemmings:** You knew nothing about it yesterday, did you?

**The Hon. D. O. TONKIN:** No, I certainly did not, because—

**Mr. Hemmings:** It was Murray Hill who—

**The SPEAKER:** Order!

**The Hon. D. O. TONKIN:** I think the honourable member for Napier is belabouring the point rather much. The curious question—

**Mr. Hemmings:** It's my district.

**The SPEAKER:** Order! I ask the honourable member for Napier to cease interjecting.

**The Hon. D. O. TONKIN:** I can understand the honourable member's pride in representing the district, Mr. Speaker, but I hardly think he needs to intrude in this way. I repeat that the question asked by the Leader of the Opposition yesterday was a rather curious one, and it was followed up by a rather curious heading to a report in the morning press. I am pleased that he has asked the question again; indeed, I was hoping that he would, because I have an answer ready for him.

**The Hon. J. D. Wright:** You didn't have one yesterday.

**The Hon. D. O. TONKIN:** Goodness gracious me!

*Members interjecting:*

**The SPEAKER:** The honourable Premier has the call, and I ask all members from both sides of the House to cease interjecting.

**The Hon. D. O. TONKIN:** The curious nature of the question and of the heading in the press this morning was that the Leader asked whether the Government was considering or had already decided on the sale of the Elizabeth Town Centre, a commercial property of the South Australian Housing Trust, to private interests and, if this was so, why. Obviously, I had no knowledge of any suggested sale of the Elizabeth shopping centre to private interests. I noted in the paper this morning, underneath that most misleading headline (it was almost as misleading as the Leader's question), that it was expanded to say "sale of the lease". There is a great deal of difference.

**Mr. Bannon:** It's still a sale, and you didn't know about it. You learned after the event.

**The SPEAKER:** Order!

**The Hon. D. O. TONKIN:** I have given up giving the Leader advice. He will learn in good time the hard way—that is quite obvious. The facts that have been provided to me by the Minister of Housing are that the Housing Trust has been investigating for some time the need to redevelop and modernise the Elizabeth Town Centre. The trust has sought advice from professional consultants in this regard. There has been a considerable degree of concern about the general state of the town centre itself in comparison with other—

**The Hon. J. D. Wright:** You're not doing too well.

**The SPEAKER:** Order! Interjections from the honourable Deputy Leader will not be tolerated.

**The Hon. D. O. TONKIN:** A great deal of concern has been expressed about the standard of the shopping centre in comparison with some of the newer shopping centres. The advice that has been given to the Housing Trust is that it should seek tenders for a long-term lease over the majority of the Elizabeth regional centre for the purpose of upgrading and redeveloping the present facilities to meet modern requirements, and extending as appropriate to provide additional facilities for the future. The trust, I am informed, has undertaken this major step in order that the necessary funds to upgrade development of the regional shopping centre could be made available without funds being diverted from what is the Housing Trust's major obligation, that is, providing much needed rental housing.

The initiative which the trust has now taken will make it possible for private sector financial resources to be made available for the upgrading of the present Elizabeth centre. The purpose of the centre is a commercial one. The Government believes that the project is excellent. It does not require Government sanction and it does not require Government approval: it is a matter which has been taken up by the Housing Trust on its own initiative.

The trust is presently carrying out negotiations with existing tenants in order that their rights and needs will be preserved. Meanwhile, discussions are being held with the existing freeholders (because there are some there, including the department store of John Martin's) to determine the best method of arranging for the majority of the site to be involved in this overall scheme of rejuvenation.

The arrangements that are being sought by the Housing Trust in relation to the Elizabeth Regional Centre are substantially the same as those in effect at Noarlunga and, if successful, the granting of a long-term lease will mean capital inflow to the trust as well as an annual income. There is of course no suggestion, as the Leader seeks to imply, that the Housing Trust will relinquish the freehold ownership of that property or of the land. The Housing Trust will derive a continuing income from the lease of the land and the return envisaged would, I believe, be available to meet the very heavy demands for rental accommodation for families and individuals in need; in other words, to develop our programme of welfare housing.

I was very pleased indeed that the Housing Trust took the time and trouble and extended the courtesy of inviting local members of Parliament, together with members of local government, to explain the details of their plan earlier this week, I think on Monday. I should have thought that it might be a matter of some regret to the Leader that he was not fully informed of all the matters, because these matters were all carefully explained to his own members from that district. If he was not fully informed on these matters—

**An honourable member:** You were not informed at all.

**The Hon. D. O. TONKIN:** No, it was not in any way that I needed to be informed at that stage. It was a matter that the Housing Trust had decided upon. It is a policy decision the Housing Trust has made and, unlike the previous Government, this Government does not interfere or stand over statutory authorities.

## PRISON CONDITIONS

**Mr. GLAZBROOK:** Has the Chief Secretary seen the advertisement which appears in today's *Advertiser* and which was authorised by Mr. Morley, Secretary of the Australian Government Workers Association in which there was a picture of a cell in the Adelaide Gaol and comments regarding facilities in the cells, and the fact that prisoners were locked in their cells for 16½ hours each day?

**The Hon. W. A. RODDA:** I saw the advertisement to which the honourable member refers. True, inmates at Adelaide Gaol and Yatala Prison are confined to their cells for about 16½ hours a day. This is because activities of the inmates can only be provided during the working hours of the majority of the staff.

**The Hon. Peter Duncan:** What about more staff?

**The Hon. W. A. RODDA:** That is an excellent question.

**The SPEAKER:** Order! The honourable Minister is answering a question from the honourable member for Brighton and no other member.

**The Hon. W. A. RODDA:** In order to allow prisoners longer hours out of their cells to engage in evening

activities, it would be necessary to introduce an additional shift between 12 noon and either 8 p.m. or 9 p.m. When daylight saving was introduced in 1971, the Department of Correctional Services considered the possibility of allowing inmates to be out of their cells for longer periods.

In fact, this request was presented to the Labor Cabinet and was not acted upon. The only improvement that was made was to let prisoners remain out of their cells in very hot weather between 5 p.m. and 7.30 p.m., and this was achieved by employing seven officers on overtime. This practice continued for approximately two to three years until a stoppage was forced by an overtime ban.

From 1973 onwards, repeated efforts were made by the Department of Correctional Services to involve unions in discussions to implement evening activities. However, the union was not prepared to enter into negotiations on evening activities until a 37½-hour week and six weeks annual leave was granted.

In fact, I have a letter which sets out quite clearly the position of the A.G.W.A. This letter is addressed to Mr. Lloyd Gard, the then Director of Correctional Services, from Mr. Morley and contains a resolution which was passed and carried by the Branch Executive of the Gaols and Prisons branch of the A.G.W.A. which is as follows:

> Move that the General Secretary write to the Director and state that we are willing to negotiate night activities and/or hours out of cells as and when we receive a 37½ hour week and six weeks leave.

That letter was dated 11 March 1977. That is the position taken by the A.G.W.A., yet in this morning's *Advertiser* the Tonkin Government has been criticised by that same union for confining inmates in their cells for 16½ hours each day. It is absurd to suggest, as Mr. Morley has suggested, that this Government is to blame, when his union has brought about the situation that was emphasised in this morning's *Advertiser.*

## FROZEN FOOD FACTORY

**The Hon. J. D. CORCORAN:** Can the Premier give me a report (or, if he cannot, will he obtain one) on the present situation concerning the Frozen Food Factory? Many members will recall the great publicity received by this factory a couple of years ago, I recall vividly the various solutions to the problem that were suggested by the then Opposition. The Government at the time handed over the operation of the factory to the South Australian Development Corporation, and I am interested to know about the present situation and whether the Premier is satisfied with it, and, if not, why not?

**The Hon. D. O. TONKIN:** The short answer is "No, I am not satisfied with the present situation," although it is a great deal better than it was. The South Australian Development Corporation and members of its board have been working and managing the factory in the best possible way. Unfortunately, on an overall cost benefit basis, the initial outlay and capital cost was such that it is almost impossible to find an operation that would justify the total expenditure of more than $9 000 000. However, as I think I told the House some months ago, efforts are being made to find a buyer from the private sector to take over and operate the factory. At present approaches are being considered from, I think, four separate firms. They are largely Australian-based, although I believe that one has overseas connections. I am not in a position to go more deeply into the matter than that. Negotiations are still at the preliminary stage.

**The Hon. J. D. Corcoran:** To purchase or operate?

**The Hon. D. O. TONKIN:** To purchase, not to operate. The Government believes that, provided that we can find someone who can make use of the factory and use it properly, we should get rid of it. It is quite probable now that a buyer will be found, as I think, from memory, four people are putting up quite positive proposals. One thing that has come through is that it is operating efficiently if one takes away the capital expenditure and the need to service those funds. As a self-contained entity, it is functioning quite well and indeed will probably break even in this 12 months. Once we have more positive details to give to the House, I undertake that I will do so when they become available.

## MAITLAND INCIDENT

**Mr. RUSSACK:** Can the Chief Secretary outline the circumstances relating to the arrests by the Kadina police of Aborigines following an unfortunate brawl at Maitland last Friday night, 28 November?

**The Hon. W. A. RODDA:** As the honourable member has said, an unfortunate incident took place at Maitland on Friday evening. It involved about 60 people, both Aboriginal and white, and occurred at the Yorke Valley Hotel.

The licensee of the hotel was struck and sustained a fractured leg, and also required some stitches in his head. The Maitland police were called and arrested one Aboriginal for failing to cease to loiter following the fracas outside the hotel. Following a police interview with other Aborigines, a further three arrests were made: one for common assault and larceny of a till from the Yorke Valley Hotel; one for occasioning actual bodily harm and carrying an offensive weapon; and one for the larceny of a till from the Yorke Valley Hotel. The police are continuing their investigations. The member for Goyder has recently expressed some concern that events could lead to such an incident, and the police are looking at this matter, which is causing concern on Yorke Peninsula.

## DOLE PAYMENTS

**Mr. MAX BROWN:** Has the Minister of Industrial Affairs met with any success in response to his call in July last to the Federal Minister for Social Security (Senator Guilfoyle) for a realistic change in the Federal Government's dole system? If he has not, what further efforts has the Minister made in an endeavour to alter the conditions under which unemployment benefits are paid in order to boost employment? In July, the Minister publicly admitted that the dole system hampered job efforts. At that time apparently the Minister was aware that, when unemployed people took part in a training scheme to improve their skills and adapt themselves for possible employment in a field previously strange to their job capabilities, they lost their unemployment benefits. This practice has been going on for about five years, to my knowledge, under the present Federal Government. As the Minister has finally admitted that it is in practice—

**The SPEAKER:** Order! I ask the honourable member not to comment.

**Mr. MAX BROWN:** It is a practice that creates some financial and moral hurt in relation to unemployed people, so I would be interested to know the results of the Minister's call and any further approaches that he might have made.

**The Hon. D. C. BROWN:** I am pleased to say that there has been a change in the Federal Government policy since

I made that statement. There have been three significant areas in which that change of policy has occurred, and I am surprised that the honourable member does not seem to know about them. I take him back, first, to the August Budget of the Federal Government, in which the allowance for an unemployed person to be able to earn income over and above his unemployment benefit was increased substantially; I think from memory that the figure was increased from $6 to $20 a week. That was a significant achievement, and one that was directly reflected in the earlier appeal that I had made to the Federal Government in July.

The second significant achievement was the announcement by the Prime Minister, in his policy speech before the Federal election this year, that he had decided on a living allowance for people involved in the school-to-work transition programme. Under that programme, people who have been unemployed for four months or more are able to take on some form of education through the Department of Further Education. That scheme had faltered because no specific living allowance had been announced by the Federal Government.

At a Ministers' conference in September, where I took the July statement further, I again pressed the Federal Minister (in this case Mr. Viner) to make sure that the Federal Government announced as soon as possible what that living allowance should be. It was then announced (and I am delighted to tell the honourable member this, as obviously he does not know) during the Federal election campaign that, under the school-to-work transition programme, a person could participate and receive unemployment benefits plus $6 a week, and work full time in an education facility.

Further to that, the Federal Government has also changed its policy. This is the third and final area, and an area which I pressed for very strongly in the July statement. People who have been unemployed for a period of eight months can, under the policy announced during the Federal election campaign, undertake a full-time education programme through the Department of Further Education, a programme that will help them to obtain useful employment. It must be of an educational and work oriented nature. That person can receive, as I understand it, unemployment benefits plus $6 a week during the period of tuition at the Department of Further Education.

Again, those details were given during the Federal election campaign. I am delighted to say that, in conjunction with the Minister of Education in this State, we are making sure that those additional benefits are being used to the maximum benefit of unemployed people in South Australia. I thank the member for Whyalla for the question, because my plea in July has been largely successful, particularly with those three important announcements by the Federal Government. I am glad for the honourable member's support in praising the Federal Government for the policies that it has announced.

## RYEGRASS TOXICITY

**Mr. BLACKER:** Can the Acting Minister of Agriculture advise the House of the extent and seriousness in South Australia of the disease called ryegrass toxicity and, also, what action can be taken by farmers to minimise the possibility of future outbreaks? Members would be aware that there have been outbreaks of the disease in the Mid-North and on Eyre Peninsula. I am advised that the disease hits a flock of sheep almost overnight. Sheep that appear to be normal on one day can be seriously affected on the next, with deaths occurring. In one case a farmer lost 200 sheep, and another lost 80 sheep. I believe that in the country edition of today's *Advertiser* there is a further report of another outbreak.

**The Hon. D. C. BROWN:** As Acting Minister of Agriculture I am delighted to be able to make available to the honourable member as much information as I have. I point out to honourable members that it is about eight years since I had to give such a technical answer to an agricultural problem. As I understand it, the ryegrass toxicity is caused by a bacteria associated with a nematode; that nematode affects annual ryegrass, particularly the ovaries of the ryegrass, at what we describe as the maturation stage of the haying off stage of the annual ryegrass. That bacteria multiples and produces a toxin and, if that toxin is eaten by sheep or stock, it can, of course, be quite fatal to those animals.

The disease is relatively new to South Australia. It was first detected in this State at Black Springs in 1956 and it has tended to spread throughout the Mid-North area of the State initially, but on a fairly slow basis. Now it has been reported in some of the drier parts of the State. Frankly, a great deal of work still needs to be done as to potential cures of the disease. Unfortunately, I must report that there is no immediate action that farmers can take to protect their stock, except to observe their stock very carefully, particularly when putting them into a mature paddock of annual ryegrass, and so specifically look out for symptoms of nervous disorder. If those symptoms occur, stockowners are advised to immediately shift stock into a paddock in which annual ryegrass does not occur. Research into the disease is being undertaken by the Department of Agriculture, the Waite Agricultural Research Institute, and the I.M.V.S.

**Mr. Keneally:** Just read the report: stop showing off.

**The SPEAKER:** Order! The honourable Minister of Industrial Affairs.

**The Hon. D. C. BROWN:** I am delighted to let the honourable member know that I do still recall some of my university education in this area. Also, I point out to the honourable member that the disease is ubiquitous, largely in Western Australia, and it tends to occur in the 400 to 500-millimetre rainfall area, but here in South Australia in the Mid-North it has tended to occur in the 350 to 400-millimetre zone, and, as I said a moment ago, it is now being found in areas with even lower rainfall than that.

One problem is that the occurrence of the disease tends to be sporadic; in other words, it does not occur every year, and it is very difficult to determine accurately whether that high toxicity is present and, therefore, whether danger to stock is likely to occur. I can obtain more detailed information and will make it available for the honourable member so that he can inform the farmers in his district, where, I understand, there are problems. I assure him that the Department of Agriculture is taking every action possible to ensure that the causes and possible cures of this disease are discovered as quickly as possible.

## NUCLEAR ENERGY

**Mr. KENEALLY:** I ask the Deputy Premier whether he can tell the House how he could make the following claim, when commenting on the Swedish referendum on nuclear power:

> The only Party in Sweden campaigning actively against the two options to go ahead was the Communist Party.

Did the Deputy Premier receive no briefing at all prior to his recent overseas trip on the views of the Prime Minister of Sweden and his Party?

The Deputy Premier should be aware, if he has done his homework at all, that the Centre Party, whose Parliamentary Leader is the Prime Minister (Mr. Falldin) officially backed option 3, which called for the phasing out of all nuclear power stations within a maximum of 10 years, and the introduction of a conservation programme. I have been reliably informed that option 3 received the second highest number of votes with 38·6 per cent of the ballot. Option 2, which received slightly more, 39·3 per cent of the ballot, rather than being a gung-ho go-ahead option as indicated by the Deputy Premier, also called for the phasing out of Sweden's nuclear power programme, but at a slower rate, and this would be linked with an intensification of State-sponsored research and development into alternative energies. The most go-ahead option, alternative 1, received only 18·7 per cent of the vote, and that also called for the eventual phasing out of Sweden's nuclear reactor programme.

The Deputy Premier also said that the Swedish equivalent of the A.L.P., the Social Democrats, supported the go-ahead of nuclear power. In fact, the Social Democrats supported a phasing out of nuclear power and a limit on the number of reactors. Indeed, Mr. Speaker, the Leader of the Social Democrats, the former Prime Minister (Mr. Olaf Palme), stressed that he was basically in agreement with the opponents of nuclear power and that the differences between the political Parties related only to the time scale for the phasing out of nuclear power. Mr. Palme said:

> It is time to start working on alternative energy forms.

The Deputy Premier has again grossly misled this House and it is about time—

**The SPEAKER:** Order! The honourable member is now commenting. I ask him to continue with fact, not comment.

**Mr. KENEALLY:** Certainly, Sir. The Deputy Premier has just recently returned from a very expensive overseas trip, and I expect that he would do his homework and tell the truth for once.

**The SPEAKER:** Order! The honourable Deputy Premier.

**The Hon. E. R. GOLDSWORTHY:** I am pleased to get that question, because it was suggested, while I was away, that I should be home to answer questions. Other than one question from the member for Mitcham, on solar power, I have had one from the other side of the House and that was in relation to my press secretary's activities. I have been feeling particularly lonely on this side of the House, having been urged to return to face this barrage of questions and, at last, I have had one.

**The Hon. Peter Duncan:** What about extending Question Time?

**The Hon. E. R. GOLDSWORTHY:** Well, at least one member has the gumption to ask me a question, after my being urged to come home to face this interrogation.

**The SPEAKER:** I am sure he and all other honourable members are waiting for the answer.

**The Hon. E. R. GOLDSWORTHY:** It is on the way. I could not let that observation go unmade, because it is humorous. If there has been any misquoting, it has been by the honourable member. I said that there was another Party, the principal opponents of the nuclear programme in Sweden, which was the Communists. The figures are, to quote them completely, as the honourable member only partially quoted them, that the vote against the nuclear programme was 38 per cent. The combined vote in favour of a nuclear programme, which is being followed currently, was 58 per cent, or a sizable majority in Sweden in favour of the nuclear programme.

By the end of the decade, 45 per cent of Sweden's electricity generation will be from nuclear reactors, whereas at present it is 25 per cent, or a significant increase in nuclear capacity in relation to electricity generation.

That is a fact, and members of the Opposition cannot get around it. It is also a fact that the Swedes have no other present option. Everybody supports the investigation of alternative energy sources. That is one reason why I was so interested to go to Israel to see their work in relation to solar ponds and make a realistic assessment of that potential, because, as I have pointed out, they have a solar pond, and we have some salt lakes in South Australia and we also have sun, which are two prerequisites for this to work successfully. If we do the calculations (and that was the most promising example that I saw in relation to alternative energy) we find that it costs four times as much to generate electricity by that method as the general range of costs, and they are generating only relatively small quantities, so no immediate application is evident in relation to that method.

The facts are as I have stated them. I apologise that I did not name the other party. I said that the communists were the chief opponents and that there was another party, the name of which escaped me. The facts are clear: 58 per cent favour the programme, and it is going ahead. I also mentioned that Sweden has a stipulations law which is quite precise and which provides that no nuclear reactor or facility will be commissioned until the Government is entirely satisfied that waste material can be safely handled. I can remember the gentlemen to whom we spoke: there was Dr. Svenke, Mr. Papp, and another gentleman whose name escapes me. These gentlemen are involved in development of the intermediate storage, the planning, and we spoke to them at length. The fact is that the Government has commissioned these reactors because it is absolutely satisfied that the waste material can be satisfactorily handled.

**Mr. Mathwin:** And they have to exist.

**The Hon. E. R. GOLDSWORTHY:** As I pointed out, the sooner the honourable member opposite and his Party come to terms with reality as some of their confreres have done, the better. The Labour Party in England does not fuss about this, and the unions there do not fuss about it. They know they would starve and go to bed in the dark if they did not have nuclear energy—they would freeze and starve. I get abused by the member for Napier, who is getting some pleasure out of this answer. I can imagine his going back to his native country. When I was there they wondered how we were handling him.

*Members interjecting:*

**The SPEAKER:** Order! The House will come to order.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. E. R. GOLDSWORTHY:** The realities of life in these countries dictate that they have no option but to vote as they did in Sweden. Despite the hysteria of some of the anti-nuclear lobby, the people have a stark choice: they either develop their nuclear facility for electricity generation or the unemployment source, or literally they freeze and starve.

## PORT ADELAIDE SHIPPING

**Mr. MATHWIN:** I refer the Minister of Marine to a recent announcement by the Premier and by him in regard to Port Adelaide calls by ships of the Australian and European shipping conference, and ask the Minister whether he can say just what benefits we may see from this achievement.

**The Hon. W. A. RODDA:** South Australia can hope to benefit very greatly from the recent decision of the Australia to Europe shipping conference to include the port of Adelaide in its regular schedules from next March.

First, I would point out, as I did at the time the announcement was made on 20 November, that this achievement was an excellent example of co-operation between Government and private industry. The key elements were the department of Marine and Harbors and the Chamber of Commerce and Industry, acting in unison. However, I must also pay a tribute to the shipping conference itself for the manner in which it considered the case presented, and for its ultimate decision. As well, of course, major importers and exporters combined in a very strong lobby to back up the preliminary work done by the department and the Chamber. This was vital to the success of the overall campaign.

Briefly, the new service will extend existing arrangements into a comprehensive and regular link with the major trade area of the United Kingdom and Europe, an area of very considerable importance to South Australian trade. It is a major breakthrough in several senses.

First, it will provide South Australian importers and exporters with direct, quicker access to imported goods and materials and to export markets. Costly delays should be minimised and production schedules should suffer less disruption. Shortening of the transport chain should bring other substantial cost benefits. More specifically, improved access to shipping facilities should considerably enhance the Government's prospects of attracting industrial investors and improving employment opportunities.

From the point of view of traders, another major advantage is that they should be able to count on a quicker return from funds invested in transit consignments. This has been one of the greatest disadvantages of shipping through interstate ports. As well, importers and exporters will have entree to a wider range of ports and trading centres in the U.K. and Europe. Neither should one overlook the service industry income which will be generated.

Finally, I would add that the breakthrough achieved on the Australia to Europe run is just the first step in a continuing campaign. South Australia still lacks direct regular conference container services with major markets in North Asia, with the East Coast of America and with the Middle East. Each of these areas is of critical trading importance, and the campaign will continue until success has been achieved.

I should also mention that, in conjunction with the shipping programme, my department is currently stepping-up its efforts to attract major port-related industry to the large-scale industrial estates in the port of Adelaide. This will not only help widen the State's industrial base but will also provide a long-term growth component to underpin shipping development and the State's trading future.

## MINISTER OF AGRICULTURE

**The Hon. PETER DUNCAN:** After that third class reading exercise, I wonder whether the Chief Secretary could tell the House whether the police have yet reported on claims that documents were stolen from the Minister of Agriculture's safe. If so, what is the result of those investigations, and, if not, at what stage is the investigation, and has the Hon. Mr. Chatterton been interviewed or will he be interviewed concerning this matter?

**The Hon. D. C. BROWN:** Mr. Speaker—

**The Hon. PETER DUNCAN:** The Chief Secretary can't handle it?

**The SPEAKER:** Order!

**The Hon. D. C. BROWN:** I think it is appropriate that I answer the question, as the police have been reporting to me as Acting Minister of Agriculture on this matter. I point out to the House, and I suggest to the honourable member for Elizabeth that he carefully read, what I said when I made my Ministerial statement. I said, and I repeat, that I would ask the police to come in to investigate the security of the Minister of Agriculture's office.

The police have been to see me—they saw me on the afternoon of the Ministerial statement. The police saw me again on Monday morning of this week for about half an hour. They have not presented to me, as Acting Minister of Agriculture, a final reply. I can point out to the House, though, one or two matters that have come to my attention since I made that Ministerial statement. For the opportunity to do so, I thank the member for Elizabeth.

Last Thursday evening, I spoke to the Minister of Agriculture, who indicated to me that the materials or documents that had been used had obviously been taken from his personal file, which sat in the safe of the Minister of Agriculture. The file in which those documents were contained had not been taken from that safe by the Minister of Agriculture since on or about 27 August of this year, some three months ago. So, it is rather interesting that an honourable member in another House should now be quoting from those documents held in a file which had been in the safe for three months, and the Minister responsible has not removed that file from the safe for that period. I should have thought that would uphold the accusation made by the Premier and by me that we are concerned that obviously someone has the combination and the key to that safe, which has not been changed since the previous election.

Someone quite improperly had gone and obtained those documents. There was nothing embarrassing about the documents whatsoever. In fact, I brought the documents in here and I tabled them in the House. No-one has since commented on the fact that there was anything embarrassing whatsoever in the documents I tabled in the House.

I furthermore explained to the House the very detailed sequence of events that had occurred as outlined in the minute to me, as Acting Minister, by the Director of the Woods and Forests Department and, again, no-one has stood up and produced any evidence from those documents that the Minister of Agriculture has misled the House. The point is that the honourable member in another place, Mr. Chatterton, keeps standing up and making certain bold accusations, but he has still not produced any documentation to substantiate the allegations he has made. He simply stands up and quotes from a Government docket, which does not embarrass the Government. In quoting from the Government docket, he then makes certain bold allegations and accusations.

*Members interjecting:*

**The SPEAKER:** Order! The honourable member for Stuart is not assisting other members in obtaining a question.

**The Hon. D. C. BROWN:** I point out that the honourable member again yesterday stood in another place and again made certain accusations and again produced no evidence whatsoever to substantiate those new allegations. I challenge, once again, Mr. Chatterton, the Hon. Mr. Chatterton, as I understand we have to call them honourable, to come forward with the appropriate—

**The SPEAKER:** Order! The honourable Minister of Industrial Affairs would appreciate that it is "the Hon. Mr. Chatterton" without other qualification.

**The Hon. D. C. BROWN:** I challenge the Hon. Mr. Chatterton to come forward with documentation that proves the allegations he is making. Until he does one can only say that he has a very wild imagination.

## BUSHLAND PROTECTION

**Mr. LEWIS:** Can the Minister of Environment say what action the Government has taken to promote its policy relating to the provisions of the incentives to private landholders to retain native ecosystems on their private land?

**The Hon. D. C. WOTTON:** I am pleased to be able to inform the member for Mallee, because I doubt very much that members on the other side would be particularly interested in learning in any case, that today I have been able to launch an intensive advertising campaign to promote a new scheme aimed at retaining significant areas of native vegetation in South Australia. The scheme was an entirely new approach to bushland protection in Australia and is being watched with considerable interest from within the State, interstate, and overseas. Under the scheme, landowners are being encouraged to retain areas of native vegetation on their own land through the provision of certain incentives. Members will appreciate that this results from amendments to the Heritage Act which were passed recently.

The advertising campaign which started today will promote the theme of the project, which is, "Now it pays you to protect native vegetation on your land." We are involving posters, booklets, advertising in the rural press, time on country radio and television, and displays and lecture tours to promote the campaign. We are very proud of the scheme and the campaign, which have been received well in South Australia and will continue to be so.

## PROPERTY ACQUISITION

**Mr. CRAFTER:** Is the Minister of Transport satisfied that he and his officers are giving effect to the undertaking he gave to the House on 18 September in relation to the O'Bahn system when he said:

> I have instructed my officers, in the matter of the acquisition of property, to see that no-one is financially disadvantaged and that every care is given to the needs of the people whose properties have to be acquired.

I have had a number of complaints about the lack of response from letters to the Minister and in particular from a constituent whose property is to be compulsorily acquired who wrote to the Minister about this matter two months ago and two weeks ago and has had no reply to either letter.

**The Hon. M. M. WILSON:** Yes, I am satisfied. If the member likes to give me the details I will make sure he gets a complete answer.

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*At 3.15 p.m., the bells having been rung:*

**The SPEAKER:** Call on the business of the day.

## MOORE'S BUILDING

**Mr. MILLHOUSE (Mitcham):** I move:

> That this House is against the proposed use of the Moore's building in Victoria Square for law courts because—
>
> *(a)* the site should be used for retailing purposes being within what has been a good shopping area but which is already being seriously affected by the proposal;
>
> *(b)* it is inappropriate to use this site for law courts when the Government already owns other land next to the Supreme Court in Gouger Street bought for the very purpose; and
>
> *(c)* the building itself is not suitable for renovation for purposes of law courts having been built for use as a shop,
>
> and asks the Government not to go on with this proposal but to arrange for Moore's to be used again for retail purposes and to be returned to private ownership.

In moving this motion, I do not propose to go over all that has been said in the period of almost 12 months past about this foolish decision of the Government to buy, through the Superannuation Trust, the Moore's building. I have spoken about it before in the House, members of the Labor Party have spoken about it, and there have been motions and so on. I doubt whether I would have raised the matter again if Mr. Jack Wienert had not sent me a copy of his letter of 24 October to the Minister (it was sent, I notice, to the Minister's electorate office). It is a long letter and it almost burned through the paper. I propose to quote only one paragraph of it and then I will proceed. Mr. Wienert said:

> It is obvious that you have very little understanding of this shopping area which has been very successful over the last 12 years since the redevelopment of the arcade. It has been a total success, so much so that I suggest that you try and get a shop within the arcade of this very successful area which naturally is always intent on trying to improve its position, only to find that your Government are hell bent on trying to stop improvement to the area to the neglect of the traders who, in the past, have supported you. In fact, you close your door to anybody who offers any suggestions to improve this commercial area, and repeat in parrot fashion that law courts will be in Moore's and it is an irreversible decision, irrespective of its cost or viability, or the fact that it could help in destroying the commercial viability of the area.

That sums up his view. The only other point I mention is that he points out that, only a few days before the Superannuation Trust bought Moore's building, the Premier was saying that the Government did not have any interest in it, but the Minister has said since that the Government had been studying the proposal for some time, and Mr. Wienert points to the contradiction between those two statements. It is noteworthy (and I checked with Mr. Wienert this morning) that the only response he has had from the Minister to his letter is a bare acknowledgement which came three weeks later.

Having read the letter, I went over again to have a look at the Moore's building and the surrounds with Mr. Wienert and I was so appalled by what I saw and what I was told that I determined to raise the matter yet again in this House. I am not going over all the ground that we have canvassed before. I will only make one general comment from my experience in Parliament and then deal with three particular matters that I hope will give the Minister some cause for thought.

The general comment I make is that this is the third occasion since I became a member of Parliament on which a Government has bought a big building secondhand in the city and on each of the first two occasions, and I believe on

this occasion as well, it has been an absolute disaster. The first building that was bought (I may have got them out of order, because it is now about 20 years ago: this is back in the Playford era) was Ruthven Mansions, the place in Pulteney Street. It was bought by the Government and the tenants were treated absolutely disgracefully; they were pushed out, harried until they got out. Then the building was left empty for 10 years or so, except for the chest clinic at the bottom. Eventually, it became an eyesore and was sold back to private enterprise and has now been restored. It was bought for precisely the same reasons we were told, as in the case of this purchase: it was a good buy, the Government needed more offices and it could not have been better, it was just right. That was Ruthven Mansions.

The next purchase was the Foy and Gibson's shop, at the corner of Pulteney Street and Rundle Street. That was bought because it was cheap and it was going to be turned into offices. Indeed it was turned into offices, but what offices they were! When I was Minister, the Department of Social Welfare, as it was then called, was in that building and it was an absolute shambles of a place, absolutely unsuitable for office accommodation.

It was absolutely unsuited to office accommodation, and eventually another Government, realising that it was no good, quit it, and it is now a car park. What effect did it have on retail traders in that area? Quite soon, Cravens, immediately across the way, went out, and there were valid complaints at that time not only Cravens but also others in businesses in the area were being affected. You need big shops and as many as you can get to attract people to that area. The result of the Government's buying Foy and Gibson's building was to further contract and concentrate the retail shopping area in Adelaide to the western part of Rundle Street. I believe that the lessons through the purchase of Ruthven Mansions and then Foy and Gibson's ought to have been learnt and we should not have indulged in this foolish purchase.

I now come to the first of my three points, namely, that the building and site should continue to be used for retailing purposes. I believe that about 200 small traders are situated in what is called the Victoria Square shopping area. It is ironical now that they will not be on Victoria Square: there will be none left there. They will be west of it. They have complained bitterly about what is going on. I do not rely on Mr. Wienert alone for this. Indeed, I do not rely on him at all, because it could be said that as the developer of that area he would be interested. Let me remind the Minister, because he knows it, as they are letters to him and he knows what people have said to him, that three other traders in the area have complained bitterly. The first is Mr. D. L. Bourke, the proprietor of Kay's Corner, on the corner at 94 Gouger Street. He wrote to the Premier on 10 January and stated:

> As a trader in Gouger Street and having just expanded to new larger premises at 94 Gouger Street, I can see this decision having harmful effects on my own adjacent businesses.

He then sets out the reasons. The next person is Mr. Harry Williams, of Peoplestores, who, in a memorandum dated 24 February said, in part:

> (1) Any shopping area is dependent on a limited number of prime components to act as the principle attractions for its shopping.
>
> (2) Our research shows that the three main attractions in the Victoria Square complex are *(a)* the market, *(b)* Charles Moores, and *(c)* Coles. It is obvious that, if one attraction is removed and not replaced by a corresponding viable commercial orientated enterprise which has the same drawing capacity to the area, a considerable loss of business will result.

The last person I refer to is the one hardest hit, Mr. Arturo Taverna, who was a tenant and still is a tenant on licence of part of Moore's building. He told me yesterday that his staff has been reduced because the building is now a deserted shell. It is a pathetic sight, as I saw today, to look through the doors at this vast empty space not being used. Mr. Taverna's staff has been reduced from 25 to four. He is a bit of a problem for the Government (and no doubt the Minister will deal with this) because Mr. Taverna had a licence to occupy part of Moore's building, and the licence runs out in March next year. He had an option of a right of renewal for three years, and he has exercised it.

It is now a matter for the Government to buy him out and pay him compensation. I do not know whether that has been included in the estimate of costs, but he is moving out on 31 December and is negotiating through his solicitor for compensation, and good luck to him. I hope that he gets all that he is entitled to. The Government will have to pay, and that means that taxpayers will pay it, because of this decision. They are three people of several hundreds who have complained bitterly to me about this matter.

The effrontery of the Government in saying that it knows more about trade in that area than do the traders is extraordinary. I may say with charity to my friends in the Labor Party that if a Socialist Party said that it knew more about the business than a person who operated it knew, one would expect that all hell would break loose from members of the Liberal Party. However, when a Liberal Government is saying that (and the Minister has said it to me and publicly that the Government knows what is good for the people in that area), that is most extraordinary effrontery. I should have thought that the Minister would be prepared to accept that small business men would know more about it than he does or his public servants know. Yet we are told that it may be better in some way for the area not to be used for a retail shopping complex.

I should think that the Government would have realised that those who have been up to now its strong political supporters would know their own business best, but not a bit of it! We get nothing from the Minister about that. That is the first big argument in favour of the motion: this should never have been taken out of retailing and should go back to retailing. I now turn to the question of cost, which has been dealt with at considerable length in this place. An extract from the *Advertiser* of 20 December 1979, under the heading "Moore's sold for law courts", states:

> The Superannuation Fund Investment Trust yesterday bought the Charles Moores building in Victoria Square for $2 400 000.

That ups Jack Weinert's offer by $100 000. Then there was the claptrap about considerable saving. Irony of ironies, there is a report from Mr. Ian Weiss, chairman of the trust and Public Actuary, who said the previous evening that it would be in 1981 before the building would be ready as a court complex. We are nearly to 1981 and not one thing has been done to make it ready for a court complex. This was the first of the mis-assessments of time and money that we have had during the past 12 months. On 21 December I wrote a complaining letter to the Premier, as follows:

> I am appalled at the report of the decision of the Government to buy Moores. This is most inappropriate, for three reasons.

I set the reasons out. They were that the Government had sites, of which the better was in Gouger Street, west of the Supreme Court; that Moore's should remain a retail outlet; and that the building was quite unsuitable for

adaption for court premises. On 19 February, two months later, I received a reply by letter from the Premier. I am relying not on newspaper reports for costs but on what was contained in that letter, as follows:

> The current estimate is that it would cost at least $30 000 000 to build immediately west of the Supreme Court building in Gouger Street excluding cost of the land.

On 19 February, that was altogether too much to consider. The letter continued:

> This compares with an estimated $4 500 000 commissioning cost which will be the only capital outlay for the Government involved in the Moore's plan.

That is a letter from the Treasurer of this State saying that it would have cost $30 000 000 to build on the site west of Victoria Square, but that we would renovate Moore's for $4 500 000. That was the position just after the middle of February.

**The Hon. D. C. Brown:** Will you table that letter?

**Mr. MILLHOUSE:** Of course I will, with pleasure, if it is proper and if the Minister wants it tabled.

**The SPEAKER:** Order! The honourable member for Mitcham is aware that he does not have the opportunity to table the letter, but he may offer it to the Minister.

**Mr. Keneally:** And the Minister is aware, too.

**Mr. MILLHOUSE:** The Minister was perfectly aware that I cannot table it. He can have a copy of the damn thing. In the *Advertiser* of 3 November 1980, we had this heading, but not with any criticism, because I think everyone had forgotten the earlier estimates:

> Conversion to start next year—Moore's courts plan to cost $30 000 000.

It had been too much to pay for a building west of the present Supreme Court building in February, but now the estimate for Moore's had risen from $4 500 000 to $30 000 000. The report states that the building, instead of being ready as Mr. Weiss had said by mid 1981, was now estimated to be ready by mid 1983 for courts.

The South Australian Government is also considering the establishment of a major retail shops development between Moore's building and the International Hotel at present under construction. I hope that honourable members will note that point. We were told that the actual building, and fitting out costs, at today's prices, would be $19 200 000. It went on again about the separate proposal for a major retail shopping development along Page Street, between Moores building and the new Hilton Hotel.

That was November, and it was at about that time that Mr. Weinert got in touch with me. He has done some figures and has come up with the total cost for the Government over 40 years of $830 000 000-odd for this building. Mr. Weinert says that, if a new building were to be erected and interest paid on it, even at $30 000 000, it would cost about $46 000 000. I accept those figures, but they are not central to the argument that I put this afternoon. The argument that I put this afternoon is that obviously the Government had no idea at all, when this building was bought, how much it would cost. The estimate has gone from $4 500 000 to $30 000 000.

**The Hon. D. C. Brown:** That is not correct.

**Mr. MILLHOUSE:** The Minister can get out of those letters if he possibly can.

**The Hon. D. C. Brown:** You sit down, and I'll answer it quite satisfactorily.

**Mr. MILLHOUSE:** Right, and I have a few more for the Minister to answer before I sit down. So that the Minister will not be under any misapprehension, the Premier said that this compares with an estimated $4 500 000 commissioning costs, which would be the only capital outlay by the Government in the Moore's plan. How it can go from $4 500 000 even to $19 200 000, if the Minister says that the estimates were properly done in the first place, I do not know. We cannot get away from that. There is a little more to come.

**The Hon. J. D. Corcoran:** Certainly they were not done at the time of purchase.

**Mr. MILLHOUSE:** Certainly they were not. It was a spur of the moment decision, just as was the Foy and Gibson decision. I am not sure about Ruthven Mansions. There is no guarantee that the $30 000 000 will not continue to go up: there is nothing at all to guarantee that. We have had a five-fold rise in less than 10 months.

**The Hon. D. C. Brown:** No.

**Mr. MILLHOUSE:** There is the letter, and that is what it says. It was also in the paper, but I rely on the letter. What guarantee have we got that there will be no more rises in costs? It is completely out of hand, and only damns the whole project, because the cost now is as high as was the cost of the plan on the other side of the street which was rejected because it was too expensive.

I come now to the third point. I know that the Minister is very confident of himself and believes that he has all the answers. He has said so, and obligingly said so in the *News* yesterday. Let the Minister answer this (and he can deny it if he likes): I believe that it is only in the past two or three weeks that any testing of the soil and the foundations of the building has been done. It was found that the foundations of the building were old fashioned. The building was put up about the turn of the century. They are not suitable to take the structure that is now proposed, and a great deal more money will have to be spent to strengthen them. I believe that they are brick foundations or something.

**The Hon. J. D. Corcoran:** You're joking.

**Mr. MILLHOUSE:** I am not joking. No work had been done before the purchase. I suppose that it is worth keeping that facade. It is handsome enough. I have never thought that it was a National Trust classification building, but, if we are to keep it, it will cost a great deal of money to strengthen the foundations. Those tests have been done and that has been discovered only in the last month or so.

I come to the next point on which I say the Government has not done its homework. I have seen the Hassell and Partners plan for Moore's. The plans may be all right, and I know that Their Honours the judges are looking at them. However, to me it looks like a damn rabbit warren, and nothing else.

**Mr. Keneally:** You might be there to help them make their decision.

**Mr. MILLHOUSE:** Maybe I will. I will not look forward with any pleasure to being housed in the place; I can tell the member for Stuart that. It looks like a real rabbit warren and absolutely cramped. I do not know what they will do about car parking. There will be hundreds, probably thousands, of people working in that building. Perhaps by that time we will not be using cars so much. However, there certainly is not adequate car-parking room in the vicinity of this building for those who work in the building day after day. The plans, to me, look very unattractive indeed.

On the back of the plans there is a schedule of areas, and it is broken up into the basement, various floors, and so on. It is entirely a statistical table, and I seek leave to have it inserted in *Hansard* without my reading it.

**The ACTING SPEAKER (Mr. Russack):** Can the honourable member assure the House that it is purely statistical?

**Mr. MILLHOUSE:** Yes.

Leave granted.

(ACTUAL) SCHEDULE OF AREAS (Square Metres)

| | Court Rooms | Judges etc. | Jury | Counsel | Witnesses etc. | Prisoners and Security | Admin. and Staff | Public Areas | Services | Total Net Area |
|---|---|---|---|---|---|---|---|---|---|---|
| Basement | — | — | — | — | — | 700 | 220 | — | 530 | 1 450 |
| Ground | 120 | 20 | 260 | — | 50 | — | 1 650 | 500 | 100 | 2 700 |
| First | 780 | 200 | 240 | 230 | 120 | 180 | — | 360 | 200 | 2 310 |
| Second | 70 | 1 340 | — | — | — | — | — | 90 | 260 | 1 760 |
| Third | 780 | 200 | 240 | 30 | 120 | 190 | 230 | 390 | 200 | 2 380 |
| Fourth | — | 1 500 | — | — | — | — | — | 90 | 260 | 1 850 |
| Fifth | 1 320 | 210 | — | — | 260 | — | — | 520 | 450 (on roof) | 2 760 |
| Total | 3 070 | 3 470 | 740 | 260 | 550 | 1 070 | 2 100 | 1 950 | 2 000 | 15 210 |

**Mr. MILLHOUSE:** An interesting point that honourable members will see is that the total net area, including public areas, is given as 15 210 square metres. What do we find is given at the area in yesterday's *News?* The Minister said this (and he may have been misreported by Greg Reid, although he does not usually make mistakes like this):

> Mr. Brown also defended the building costs, claiming the total area for the complex, including public areas and passages, was 18 450 square metres, and this would be built at a construction cost . .

So, the report goes on. His own plans are 3 000 square metres less in area. How does the Minister explain that? Either he has made a mistake, the reporter has made a mistake, or the Minister has misled the public. Here are the plans, and here is the schedule, which will be in *Hansard* for all members to see.

I make one other point. It has been said that all the courts will come together and we will all be together in one happy family—or an unhappy family for some of our clients, I suppose. There is no mention of bringing the Industrial Court down there. Four floors of the I.M.F.C. building are being rented by the Government for the Industrial Court and apparently that area will still be needed. Not even with this building will there be room for all the courts that sit in and around Adelaide. It is a very great inconvenience to go from the Victoria Square end of town to go to court. This Moore's complex will not overcome that for those who practise in the Industrial Court, but not a word has been said about that.

**The Hon. J. D. Corcoran:** What about the appeal courts?

**Mr. MILLHOUSE:** They are coming, I believe: the Planning Appeal Board.

**The Hon. D. C. Brown:** Don't you bother to read—

**Mr. MILLHOUSE:** Let me come to another point. The Minister has asked me to be quick so that he can answer these points, so I would be glad if he did not interject. He said (and I quoted it a few minutes ago) that there was to be this major shopping development along Page Street, on the northern side of Moore's. I went there this morning, and I paced out the area that is available for that major shopping development. It is 44 paces by 15 paces. That is the total area available for this major shopping development. That is about 120 feet by 40 feet.

I have not seen the amended plans, but I know that plans to amend the Hassell and Partners plans have now been drawn, showing four shops along there of about 400 square metres only, and that is to be this major shopping development that the Minister mentioned! Either the Minister is utterly incompetent, or he deliberately misled the public, because by no stretch of the imagination can four or five shops of about 400 square metres be regarded as a major shopping development. That is all that is planned.

I have seen the sketch of the plans, which show that at the back of those shops the ceiling will be only 8 ft. high, to let in light to the present Moore's building. It is a travesty to suggest that there is to be a major shopping development there. There is not any room, and the front of those shops will be 2 ft. or 3 ft. from the side wall of the new Hilton Hotel—no more. It is absurd for the Minister to say that it will be a major shopping development. I notice that in his letter Mr. Weinert invited the Minister to go down there and have a look. I doubt whether the Minister has ever been anywhere near the place. He could not have been, if he is talking the way he is.

I turn now to what I believe is the most serious problem facing the Government and which shows that it has not done its homework. We have heard a good deal about prisoner security, and this is what the Minister said yesterday in the paper about the matter:

> I cross-examined both the planners and members of the City of Adelaide Planning Committee when they came up with this particular aspect. I was concerned about that problem, but I have been assured it is not a problem at all. It is a closed lane in a high security area, and not a public access area. It will be a high security enclosure, and I do not see it as a problem at all.

Perhaps the Minister will be kind enough to indicate whether that was a correct report of what he said. I take it from his silence that it is corret. The position is as follows: the lane about which the Minister is speaking runs north off Gouger Street immediately west of the Moore's building, and it is under cover. It is covered over at the first storey by the shopping complex.

That is to be the area that will allow for the ingress and egress of prisoners. The Government scrapped the proposed remand centre and the tunnels under Gouger Street that we were to have. It is extraordinary that these Hassell and Partner plans came out only two days after the tunnel plans had been scrapped. The plans must have been developed concurrently with the other things, because it would have been impossible to draw them in two days. Through that laneway (and I will call it that) the prisoners are to be taken into the basement of the Moore's building and held there. Incidentally, there will be 200 of them in 17 cells. That is why I think that perhaps "sardine" was a good description to use, because that is what we have got.. It looks to me to be a very small area. What about fire safety and so on? I do not know.

The point about that laneway is that it is under two ownerships. Down the lane there is a line running north from Gouger Street which bisects the lane; the eastern side

of the laneway was owned by Moores (now by the Superannuation Trust); and the western half of that laneway (incidentally neither of them are big enough for a carriageway for a car, let alone a bigger vehicle) is leased to Mr. Weinert's company, which runs the shopping centre.

**The Hon. J. D. Corcoran:** Who owns that?

**Mr. MILLHOUSE:** It is owned by the City Council. It owns the whole lot. However, Mr. Weinert has a 50-year lease from the City Council, which lease has 38 years to run. Mr. Weinert has an easement over the eastern half of that laneway which was owned by Moores but which is now owned by the Superannuation Trust, which now has an easement over Mr. Weinert's western half. In other words, both parties share that laneway and each has a right-of-way, either through ownership lease or through the right-of-way, through the easement over the whole lot.

That laneway, which is used as a delivery entrance, enters a rather large courtyard. I have a plan here if any members want to look at it. This larger service courtyard is used for the butcher shops, and there are now 70 butcher shops now working in that area. It is absolutely imperative that that service area remain in that position, if those shops and the shopping complex are to survive. It would be extraordinarily expensive to alter the shopping complex for those shops to be serviced in any other way. They are shops selling wet goods and food, which cannot be carried half a mile down the street and put into the shops. There must be a rear entrance to get those goods in. Therefore, it is imperative that that laneway continue to be used by delivery vehicles. I have seen the area when it has been quite busy, and I am told that on Fridays, for example, when it is extremely busy, delivery vehicles are coming in and out all the time. The Government has two problems here, but I doubt whether it has woken up to them. It may have done so; there may be some answer. However, nothing has been said about it. First, the Government has the problem of ownership. Mr. Weinert has an interest in the land owned by the Superannuation Trust. He has an easement, and a lease which has 38 years to run. I have seen his lease, and it is a registered lease.

**The Hon. D. C. Brown:** Don't you want me to reply? You have now gone on for three-quarters of the available time for the debate on the subject.

**Mr. MILLHOUSE:** Let me please develop the point—

**The Hon. D. C. Brown:** You are too scared to hear the answers, are you?

**The SPEAKER:** Order!

**Mr. MILLHOUSE:** Mr. Weinert has an easement over that land. It is his; I do not believe that the Superannuation Trust is an authority pursuant to the Land Acquisition Act.

**The Hon. J. D. Corcoran:** It isn't.

**Mr. MILLHOUSE:** So, the Superannuation Trust has no power for compulsory acquisition of that easement. Without it, it is absolutely impossible to use that entrance for the prisoners. It is a very complex arrangement: it is complex to me, as a barrister, anyway. It may be possible for some other Government authority compulsorily to acquire that easement and then sell it to the Superannuation Trust, but if that was to be done, it would be compounding scandal on scandal.

However, even if there is a way around the legal tangle, it will take a very long time, because I am assured by Mr. Weinert that he will fight it bitterly all the way. He owns the easement and for 38 years he will have a lease on it which cannot be touched, and the Government cannot go on with its present plans unless it can get rid of him. That is the position. Even if the Government does get rid of Mr. Weinert, it will be enormously expensive to compensate him for the loss of that land because it will mean, literally, the rebuilding of that part of the shopping complex.

I do not believe that the Government has given any thought whatever to this problem, which should have been one of the first things that it thought of. I know that some few weeks ago some fellows turned up and started to drill holes there. However, they were told to get out of it because they had no right to be there. Whether or not that put the Government on notice, I do not know, but that is the fact. If the Minister cares to answer this question, I will be very glad to hear his answer. It seems to me, on a cursory glance at the Superannuation Act and the Land Acquisition Act, that there is no way around this position, and, until some solution to it is found, this Moore's project cannot go ahead, certainly not in its present form.

For these reasons, I have moved the motion, and I am happy to let the Minister explain and answer the various points that I have put. I believe that they are unanswerable, that this was a foolish and foolhardy purchase, and that now it is sheer obstinancy and pride that make the Government persist in it.

**The Hon. D. C. BROWN (Minister of Public Works):** I rise to cover the honourable member's first point and to point out that the time available for this debate is three-quarters of an hour, and that the honourable member has now effectively used 35 minutes, leaving me with less than 10 minutes in which to answer the points that he has raised.

I will deal quickly with the points and the extent to which, either through sheer ignorance or perhaps inadvertance, the honourable member has misled the House, or the extent to which he has been misinformed, by some of the people who have obviously spoken to him. I will begin with Mr. Weinert's letter and the nature of my reply. Members will recall that I had, apparently, only acknowledged Mr. Weinert's letter sent to me on 24 October. I sent my reply on 12 November, which was a fairly speedy reply. I go through in my letter and cover point by point a number of points raised by Mr. Weinert. My letter consists of about 170 words, which is certainly not just an acknowledgement of Mr. Weinert's letter. That shows the extent to which the member for Mitcham has deliberately throughout the entire afternoon in this debate misled the House with the so-called facts that he has presented.

The second point I take up is that the honourable member accused me of not even being in the building. Obviously, he did not see the television segment when the plans were released. All this was done in Moore's, with all the television cameras present. I have been to the site on a number of occasions. I have walked around it. I know the lane and the proposed security area at the back of the lane.

I will take up the first and most important point raised by the honourable member, namely, the issue of costs. I will also take up the honourable member's accusation that costs have escalated from $4 500 000 to $30 000 000. I asked the honourable member deliberately to reread the Premier's letter because, if one listened to what he said, one would realise that it did not show that the Premier said that the initial cost of the building would be $4 500 000, as claimed by the honourable member. The Premier said that the commissioning costs would be $4 500 000, and that would be the only capital outlay by the Government. The Premier is correct in saying that. The commissioning costs refer to installing furnishings and certain partitioning. They refer to nothing else, and not the building costs. The Premier did not try to infer in that letter that the building cost would be $4 500 000, as claimed quite dishonestly by the honourable member. That is the type of argument

being used by the Labor Party and its opponents to Moore's. They have deliberately twisted facts to try to hold up their fabrication of untruths.

When the Premier wrote that letter in January, it was decided then that the Government itself would cover the commissioning costs, the rest of the building project being covered by the Superannuation Fund. However, since that time, the Government has decided that the fund can cover all of the costs, including the commissioning costs, which would be taken into account in the rental assessment. The claims, as reproduced in the *News* yesterday, and repeated again in the House today by the honourable member as escalating from $4 500 000 to $30 000 000, are grossly untrue. The honourable member knows that, and cannot produce any evidence, including the letter he has at present from the Premier, to substantiate his claim.

I will deal now with some of the other issues. The honourable member said that I had nowhere referred to the Industrial Court. That suggests that he has not even read the planning study produced by the Government; it is a fairly thick document, and equally as important as the booklet on Moore's that talked about the whole development proposals on the future of Moore's and of the site. How the member for Mitcham can move this motion, and utter one sincere word about the development of the Supreme Court site, and the whole of Victoria Square, and not have read or known of the planning study produced by private consultant that discusses the whole broad issue and options open to the Government, namely, two long-term and three short-term options, shows the extent to which he has not done his research, and has no basis on which he can put his argument today. That obviously is the case.

The planning study report discusses in some detail the future of the Industrial Court, and gives the options where the Industrial Court should go. No wonder the honourable member is hanging his head in shame, because it is disgraceful that he should make those accusations without having bothered to read the report, which is detailed and even longer than the Moore's study report.

I will deal now with the point that the honourable member raised in the *News* story last Thursday, I think, regarding a major shopping development in the area. He accused me of coming out with a false statement about that. If he rereads the *News* story, the honourable member will find that I said nothing about a shopping development; that part of it came from the Town Clerk of the Adelaide City Council and it was not quoting me at all. I said that the council has indicated to me that one area it was looking at for parking was at the western end of the Central Market area.

So, the honourable member should read the facts before making wild allegations in the House, in the hope of getting some cheap publicity over the issue. I will deal now with some of the other issues raised by the member for Mitcham. He says that the building will look like a rabbit warren. I know a number of people, including those on the City of Adelaide Planning Committee, the Lord Mayor, and others who have seen the design by the private firm of Hassell and Partners. They praised that design; even Peter Ward praised it.

I suggest that the honourable member has made the accusation that it looks like a rabbit warren in the sheer ignorance with which he has thrown up the entire debate this afternoon. We all know that he is a lawyer, and that he has no expertise in building. It has been fairly obvious this afternoon that he has no consultants. We all heard a few moments ago the honourable member's accusations about how it was only in the last two or three weeks that soil tests have been done and that the foundations and the footings of the building are in brick. Those footings are in concrete. The honourable member made the unfortunate mistake, because there is in the basement, not a footing, but a retaining wall in brick. We all know that a retaining wall can be brick. However, the footings are in concrete. Again, this shows the extent to which the honourable member's technical knowledge of what he has been talking about this afternoon is grossly inaccurate. I will deal at length shortly with the actual costs of the building, particularly the $800 000 000 that the honourable member has again quoted this afternoon.

The other area, before getting on to the costs, with which I will deal involves some of the actual costs involved in the construction of the building. Let us take a comparison between the costs per square metre of Moore's and the costs of other court complexes in the rest of Australia. We find that the cost of Moore's, on the basis set out by the National Public Works Standing Committee, is $860 per square metre. We also find that the cost per square of the court building in the Australian Capital Territory is $900; in the State Supreme Courts in Hobart it is $920; in the Federal Court in Hobart it is $980; and the cost of the State and Federal Court complex in Sydney is $1 250 per square metre.

*At 4 p.m., the bells having been rung:*

**The SPEAKER:** Call on the business of the day.

**Mr. EVANS (Fisher):** I move:

That Standing Orders be so far suspended as to enable Orders of the Day, Other Business, to be postponed until Notice of Motion, Other Business No. 1, be disposed of.

**Mr. MILLHOUSE:** I wish to oppose the motion, and I do so very briefly. This means that we are cutting into the time for debate on the Prostitution Bill.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr. MILLHOUSE:** I know that members opposite would like to delay a vote if they could on that.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr. MILLHOUSE:** What, when I go for only 35 minutes in moving a motion? How can anybody complain about that?

**An honourable member:** You're talking rubbish, anyway.

**Mr. MILLHOUSE:** That is the sort of typical interjection one gets from the Liberal Party. I would not mind this happening if the Government would give an equivalent time after 6 o'clock to finish the Prostitution Bill, if it is not finished by 6 o'clock. I think it is quite wrong and unfair to break into the only time available for the debate on that Bill and to get it to a vote. For those reasons, I must oppose this suspension.

**The SPEAKER:** The question before the Chair is that the motion be agreed to. For the question say "Aye", against say "No". As I hear a dissentient voice, there must be a division. Ring the bells.

*While the division was being held:*

**The SPEAKER:** There being only one vote for the Noes, the motion passes in the affirmative.

Motion thus carried.

**The Hon. D. C. BROWN:** I resume the debate talking about the accusation that the member for Mitcham made, that the footings of the building were unsound, that they were made of brick, and that a substantial amount of additional cost would now have to be expended to shore up those footings. I pointed out to the House that the footings were concrete, that a certain amount of work

needs to be done in the basement, and that the cost of that work has already been taken into account in the $19 200 000 construction costs as outlined by the Government. So, again, we find that the claim made by the member for Mitcham is quite inaccurate.

I take up another point raised by the member for Mitcham. He claimed (and I wrote it down as he said the words) that I said to him the following:

> We know what is good for the small traders.

He quoted me as saying that. That is not correct. I have never made that quote to the member for Mitcham. He knows it, which shows again the extent to which he fabricates the material that he likes to use in these debates, as he has done throughout this afternoon in this debate on Moore's.

Let us look at the cost, particularly the $800 000 000 that he claims it is going to cost the Government to pay for Moore's over the next 40 years. First, he makes that judgment on certain assumptions that we need to look at. He assumes, to start with, that there will be a 10 per cent inflation rate every year over the next 40 years. Let us look at the member for Mitcham's own salary if we inflated it by 10 per cent over the next 40 years. The salary and allowance which he receives for this part of his job is currently $30 025 per year. If it were inflated at a rate of 10 per cent per annum for 40 years, it would mean that in 40 years' time the honourable member for Mitcham would be on an annual Parliamentary salary and allowance of $1 358 909·15. That deals only with the income earned here. That is the basis on which he is asking us to judge this figure of $800 000 000.

Let us just look at some of the other costs, if we take values that we know today and apply 10 per cent inflation over the next 40 years. The average salary in Australia at present is about $15 000 a year. In 40 years time, that salary would inflate to $680 000 a year. A house, valued at $50 000 in 1980, with a 10 per cent inflation rate for 40 years, would be valued at $2 250 000. That is the sort of basis on which the honourable member today is trying to get us to judge the cost of the Moore's project. I challenge, right at the very beginning, his basic assumption that the inflation rate over the next 40 years will be 10 per cent. It is an outrageous claim that condemns the member for Mitcham and other people who use it deliberately to try to substantiate their web of untruths and misleading of the public on the issue of Moore's.

I challenge the member for Mitcham to come back with an answer as to how we could put up a cheaper court complex. Why does he not take up my challenge of showing that the Moore's court complex on the square metre basis is the cheapest court complex currently being constructed or considered anywhere in Australia? He does not answer it, he cannot answer it, and he knows he cannot. Yet, they are figures we released on 2 November and not one critic of Moore's has yet challenged those figures which I released.

He also raised the point as to the floor area of the building. What he has deliberately done is take only the net area of the building and not look at the gross floor area. Again, we have used national standard building figures in quoting the figures we have quoted in all of our press releases, in the booklet prepared on Moore's, and on our cost estimates.

Three substantial points need to be considered when looking at the Moore's complex and whether or not it should be criticised. The first is whether the cost of the complex is over-expensive. Secondly, could it have been constructed by any other means and, therefore, was the rental agreement that the Government has signed with the Superannuation Fund reasonable? Thirdly, even if the cost of Moore's was excessive, (which I do not concede it was), is the Government being taken by the Superannuation Fund?

Regarding the first point, the cost of the Moore's complex per square metre is one of the lowest, if not the lowest, of any court complex in Australia at present. I have given the figures and I have challenged anyone to challenge the figures that have been given to this House and made public. No-one has challenged them. I qualify that, because one person did come along and say that he had taken the floor area and divided it by $19 200 000 and arrived at a different figure from $860 a square metre. The point is that when the cost per square metre of our building is compared to the cost of other buildings, we need to compare like with like and it is necessary to remove the cost of the furniture. We have used national building standards when preparing our figures, so, if anyone is going to challenge them, they should do so using national building standards when they make comparisons with other buildings.

**Mr. Bannon:** It is cheaper than the High Court; we know that.

**The Hon. D. C. BROWN:** It is cheaper than all the other court buildings I have mentioned this afternoon, and the Leader of the Opposition has not challenged that. I also point out to the member for Mitcham, who has been very vocal about what he thought was the small space available in Moore's, that despite the fact that there will be only five specific levels plus a basement and a ground floor in that building, it has a useful floor area of about the same area as the 19-storey S.G.I.C. building almost adjacent to it on Victoria Square.

Few people appreciate the extent to which there will be a huge usable space in the Moore's complex and people tend to decry it simply because it is not 19 storeys high. The fact is that it is a building with a huge ground area and it is ideally suitable for court space. We will use it for that and, in so doing, will construct a very economic court complex.

I also point out to some of the critics that, if they are going to criticise the cost of the Moore's complex, they need to appreciate what we have put into that $30 000 000 estimate, which is not a current day estimate of the costs. The current estimate of building costs is only $19 200 000. We have built in all the other factors, including inflation, so any comparison should be made on the basis of the $19 200 000 figure, but even then it included the cost of fittings and furnishings, which are normally not included in the cost of building projects.

I now come to the second point, whether the agreement with the Superannuation Fund was reasonable. To start with, this State has been sitting back for 12 or 13 years—

*An honourable member interjecting:*

**The Hon. D. C. BROWN:** Yes, you did argue that point, because you argued that paying $800 000 000 was an excessive figure for a court. You calculated that figure, and it has been enhanced by the Leader of the Opposition in his statement to the *Sunday Mail* in which he made that assumption. He came out with a figure of $200 000 000, as I understand it. Let us look at the agreement. To start with—

**The Hon. J. D. Wright:** You will never get our support with this sort of thing again.

**The Hon. D. C. BROWN:** I said half an hour, which is 20 past.

**The Hon. J. D. Wright:** A quarter past 4 was the deal.

**The ACTING SPEAKER:** Order! The honourable Minister of Industrial Affairs.

**The Hon. D. C. BROWN:** The point is that, without the finance from the Superannuation Fund, that court

complex or any other court complex could not proceed, and I challenge the member for Mitcham to stand up and tell me which schools or hospitals at a cost of $30 000 000 he would not have proceeded with so that we could have put up a new court complex in South Australia. The total cost of school buildings since we came into Government is $33 000 000. Is the member for Mitcham really saying this afternoon that we should not have proceeded with the 44 schools we have built in the past 13 months? That is the claim the honourable member is really making if he says we should not proceed on the costing basis and on the financial agreement we have with the Superannuation Fund.

The member for Mitcham should know, because he was a Cabinet Minister for two years, without any real note, that the State Government makes up the shortfall of the Superannuation Fund and that shortfall was about $25 000 000 or $26 000 000 last year. He knows that even if that financial agreement with the Superannuation Fund was excessive, we can see that the amount the State Government would have to pay to the Superannuation Fund will be reduced by the extent to which it is excessive but I do not for one moment claim that the agreement we have with the Superannuation Fund is excessive. In fact, I think it is a very reasonable agreement. When I asked outside experts to supply me with evidence to back up the reasonableness of that agreement, I found that they also substantiated the fact that, at 6¼ per cent, it is extremely cheap rental basis—an equivalent rent in South Australia is between 7 per cent and 8 per cent for other large buildings on a long-term basis. I reject out of hand on the facts I supplied this afternoon, the argument of the member for Mitcham, and I have a great deal of pleasure in formally moving an amendment to the motion.

**Mr. Millhouse:** I thought you made an agreement to finish at 4.15.

**The Hon. D. C. BROWN:** I think it appropriate that I read the amendment. I move:

> Leave out all words after "Victoria Square" and insert "for anything other than law courts because—
>
> *(a)* conversion of the building into courts, together with the completion of the S.G.I.C. and Hilton Hotel buildings, will significantly enhance the potential for retail trading in the established shopping area around the Central Market;
>
> *(b)* the site is appropriate for court use because of its close proximity to the Supreme Court and other court facilities; and
>
> *(c)* the building is admirably suited for preservation and conversion to law courts, as an existing part of the Victoria Square architectural scene,
>
> and congratulates the Government for its decision.

**Mr. McRAE** secured the adjournment of the debate.

## PROSTITUTION BILL

Adjourned debate on second reading.

(Continued from 5 November. Page 1823.)

**Mr. CRAFTER (Norwood):** It is interesting to compare the debate we have just heard compared to the debate we are now entering. We see clearly the concern and high priority given to property rights by the Government and their much quieter tones when we are talking about personal rights and the rights of people. The matter before us now, which deals with prostitution in this State, deals very much with personal rights and is a serious matter indeed.

This is a matter about which I and other members have received many representations, in writing and in person, and I am grieved because I do not receive a similar volume of representations on other matters affecting personal rights in the community. I have received no representations in my district from persons concerned about the state of prisons and the recent activities occurring in them, and I have received few representations from people who want to speak about the plight of the unemployed. However, I suppose it is a fact of life that, on moral issues such as this, many people take to themselves a much greater concern for the care of the morals in the community.

I am disappointed that this matter has come before the House as a private member's measure. That detracts from it, and attracts to it a tone of politicisation of the measure and, in this case, an undoubted degree of opportunism by the member promoting it. It could have waited for some time before legislation was introduced, and there should have been further discussion of the Select Committee's report. There should have been debate that urged the Government to take some action. I point out that over the years there has been support by Government members for the legalisation of prostitution in one form or another, and, if the Government had accepted some responsibility, we would have had more information available, particularly a more up-to-date package of information from the Police Department. On 25 March 1977 an article in the *News*, under the heading "Tonkin call to license parlors", states:

> Massage parlors in South Australia should be licensed and allowances made for regular inspections by police and health authorities, the Opposition Leader, Dr. Tonkin, said today.
>
> With existing laws, massage parlors operating as brothels could be controlled to a degree, Dr. Tonkin said. Action could be taken under health regulations and zoning laws. Tighter controls were now necessary because overseas experience suggested organised crime would eventually move in and take control. There was no doubt a more sophisticated degree of criminal control would be introduced into massage parlors. That would lead to conflicts by rival interests and that in turn would lead to "strong-arm" tactics developing.
>
> "One of the reasons we must tackle the massage parlor problem is that brothels and massage parlors overseas are frequently used as drug outlets," Dr. Tonkin said.
>
> "There is no clear evidence that it is happening in Adelaide at present.
>
> "But in the passage of time it will be thought by criminal organisations that it is important to tie up massage parlors in Adelaide.
>
> "We can expect that sort of activity. Although I have no evidence it already exists, I believe we are leading up to it.
>
> "Therefore, they should be licensed and provisions made for inspection."

That is an unequivocal statement and, from the statements made to the House by the Minister of Transport, we realise his concern to reform the law. We have also seen a 180° turn-around by the member for Henley Beach in this matter: he is reported to have said that he has changed his mind because of evidence given to him by the Police Department. If he has evidence that would cause him to change his mind on such an important matter, that evidence should be before Parliament and should come here not via a Government back-bencher but from the Government itself. Hopefully, it would come from a source whereby it can properly be assessed, and further information obtained if necessary. The present way is a most unsatisfactory way that Parliament is obtaining evidence in this matter.

It is difficult at any time to frame laws on what are essentially moral issues. I have spoken to legislators from

other jurisdictions and from overseas, and invariably they say that this is a matter that is best left aside: out of sight, out of mind. However, this Parliament has not shirked its responsibilities. The plain fact is the law in South Australia is not being enforced, as the police have told the Select Committee.

**Mr. Randall:** You haven't seen the evidence. How do you know?

**Mr. CRAFTER:** It is in the report and has been spoken about in debates. People in the community generally agree that prostitution cannot be abolished. The law cannot achieve the eradication of this behaviour, however one views that behaviour. Therefore, there is public pressure for Parliament to do something about the situation. It is true to say that there is much sympathy in the community for some form of decriminalisation of this kind of behaviour, irrespective of how people view the behaviour. However, there is much fear in the community about what that would bring about and, in particular, the fear of the industry of prostitution, and of the influence of organised crime on that industry. I refer to the Select Committee report, and criticise the committee for not taking greater note (and I assume, from the report, it did not take a great deal of evidence) in two areas. The first is the matter of ownership and profits. In its report the committee stated:

> The committee received no firm evidence of interstate ownership or control of massage parlours in Adelaide.

I am concerned greatly by words like "firm evidence". Only 10 or 11 lines of the report are devoted to what I should have thought was a fundamental issue of concern for the committee. The report stated that high incomes were being earned in brothels in South Australia, and that some of these were being earned particularly by proprietors. The report also commented that there was conflicting evidence as to whether women preferred to work for women, although it was stated several times that the ideal would be a parlour owned and run by the women who worked there. However, that was not one of the recommendations of the Select Committee. The member for Mallee raised this matter, which is one that I should like to hear debated in Committee. It may be one way in which organised crime and "Mr. Twenty Per Cent", or the third party, could be removed from brothels.

At this stage, I say that the inquiry of the Select Committee into ownership and profit, a difficult area in which to get information, was inadequate. I refer to the section of the report concerning organised crime, and this is briefer than the section to which I have just referred. There are only a few lines, consisting mostly of quotes, and the report states:

> The committee received little evidence of organised crime being involved in prostitution in South Australia.

I would have thought that it was not for the committee to wait to see what evidence came forward about organised crime, because no-one would want to come forward and talk about that. One would have to go out and seek out this information. I acknowledge again that this is a difficult task, but it is one that must be conducted if we are to address ourselves responsibly to this matter.

Statements were exposed in the report by unnamed persons. For example, one of the statements quoted was that organised crime does not exist in South Australia as it is known in other States. It was said that the mood of the industry in this State is one of fierce independence and free enterprise. I am not sure whether that refers to organised crime or the the industry itself. It does not deny that organised crime exists, and we see no analysis of the effect of that. The Select Committee went on to conclude, under this section of organised crime:

> The committee is well aware of the continuing danger of the intrusion of criminal elements into this industry, and legislation should ensure as far as possible that this does not eventuate.

Once again, the Select Committee does not make recommendations about this, and draws no firm conclusions. I believe that this is most inadequate and makes it very difficult indeed to assess one's support for the narrow recommendation made regarding decriminalisation. As I have said previously, I am prepared to support this measure to the second reading stage, but perhaps in Committee we can address ourselves to some of these problems, when I, for one, will be making my own assessment about support for the third reading. I know that other members have referred to the need for amendments in this general area.

Just before the recent Federal election, the Prime Minister announced that there would be a judicial inquiry which would have the power of a Royal Commission and which would inquire into large-scale drug trafficking and associated corruption. The Prime Minister said that the Government believed this to be the best means of ensuring that major drug offenders were detected and brought to justice. This matter arose out of a coronial inquiry in Victoria, where the Coroner had said that the evidence before him indicated that not only did people within the drug organisation get carried away by mercenary greed, but apparently so did others in official Government positions of law enforcement.

That raises two matters of concern. One relates to the reliance apparently by the Select Committee on the evidence of the Police Department in relation to organised crime. I think that one should travel wider than our law enforcement agency to assess the effect of organised crime. Secondly, there is the scope of this inquiry. I do not think that the full terms of reference have yet been announced. However, as it is a rather unique inquiry, it may be that the terms of reference could be widened so that the information to which I am referring, which is so difficult to obtain, may be sought and, hopefully, obtained and made available to this Parliament. It is much more suitable that this be done by a national body.

Organised crime does not pertain solely to one State, and we know the influences of interstate criminals and companies with this flavour. It is appropriate that this inquiry be carried on at a national level. I note that the then Minister for Administrative Services, John McLeay, the Minister in charge of the Australian Federal Police, also informed Parliament that the inquiry would have the backing of the combined Federal-State Australian Bureau of Criminal Intelligence, which would be established within the next two months. There will be, as I understand it, a task force of lawyers, accountants, and banking experts seconded to the inquiry. There will be expertise there, and it will be a judicial inquiry to a degree independent of the Police Force. It may be the only sort of body that could collect the evidence that we must have if we are to address ourselves properly to the most appropriate way to deal legislatively with this problem.

In the Adelaide *Advertiser* earlier this week, I noticed the results of a Gallup poll of public opinion on organised crime. As I understand the evidence given to the Select Committee, the Police Department said that there was no evidence of organised crime in South Australia. Although there may have been in the past, it did not pertain at the time the evidence was given to the Select Committee. An assurance was given, as I understand it, by the police that, if this situation arose in the future, the Police Force felt confident that it could handle the matter.

I am not satisfied with that approach. Obviously, the people of South Australia are not satisfied, for, in the

results of the Gallup poll reported in the *Advertiser* on Monday 1 December, some 75 per cent of people surveyed in South Australia said that organised crime in this State had increased in the past 10 years. As a matter of interest, some 26 per cent of those surveyed said that some Parliamentarians in this State were associated with organised crime. There is indeed a degree of disquiet in the community about organised crime and where it reaches. Right across Australia, some 77 per cent of people agreed that organised crime had increased in the past 10 years.

This is a matter of concern in the community, and I will add some comments from my own experience. I think it was in 1977, when I was working in the Attorney-General's Department, that I was asked by the then Attorney to consider a report that he had received from the Police Department. The report detailed the effects of one of the branches of organised crime that was infiltrating this State at the time, and it identified certain licensed premises, as I recall it, and certain so-called sex shops, and the proprietors or leaseholders of massage parlours, as well as persons known to the police to have been trafficking in drugs. I do not have any records of that, but no doubt they are available in the Attorney-General's office or the Police Department. That was clear evidence to me that there was considerable concern in the Police Department and that there was already established a degree of organised crime in massage parlours.

I think, from memory, that the report referred to the women working in the parlours who also doubled up and served as strip-tease dancers in some of the nightclubs, travelling from State to State in this organisation's enterprises. That adds further to my concern that there needs to be more consideration of this matter of organised crime. I cannot stress highly enough the need for this matter to be properly considered and all the facts put before Parliament before decisions are taken.

I know that there is a veiw that this measure ought to be passed and reviewed periodically, but I feel that there is a grave danger in that. If the measure is passed and it facilitates the activities of organised criminals, it will be much harder to have them removed from the industry at a later stage when the matter is reviewed. It may be reviewed in the same way that the Select Committee approached the matter. I do not want to detract from the *bona fides* of those on the Select Committee; I think they had a most unenviable task and did an excellent job to the best of their ability. However, that committee was not the correct vehicle for reviewing the legislation and, if we have only the services of the Select Committee to review the situation, perhaps we will never really be able to see the true position in the community.

I express my concern for the measure as it currently stands. There is one other matter that I will raise in Committee, if the Bill reaches that stage, namely, the matter of zoning. I have received some representations from local government on this matter. I believe that the present proposals are not adequate and may be harmful, and these will need to be attended to at a later stage.

**Mr. OLSEN (Rocky River):** I oppose the Bill. Before giving my reasons for doing so, I want to make one or two comments in relation to the remarks of the member for Norwood, who indicated there was a lack of evidence tabled before the House that organised crime was on the increase in relation to the prostitution trade in this State. I draw the honourable member's attention to the speech made by the member for Brighton on 4 November, in which that honourable member drew members' attention to evidence which indicated that in fact there had been an increase in organised crime in relation to the prostitution trade.

Because of the importance of the measure I will take this opportunity, albeit briefly, as I want to ensure that opportunity is given for the matter to proceed to a vote today, to indicate my reasons for a negative vote. Additionally, as it is a conscience vote, one of our duties as Parliamentarians is to stand up and be counted and to make decisions on what we regard as right. In this case, it is important for members to carefully weigh up the wishes of the electorate against the benefits of new legislation, if there is a contradiction between the two—accepting, of course, the principle that legislation is change for the better and not change for the sake of change, or used as a vehicle for publicity.

In relation to the former point, my electorate has certainly responded in a most positive manner against the provisions of the Bill, as the petitions tabled in the House indicate. I have not received one item of correspondence expressing a counter point of view. However, that is not the only reason for my action. I have listened to and watched intently the debates both in this Chamber and in the public forum in an endeavour independently and objectively to determine my attitude. It so happens that my views and those of my electorate are alike. I have taken this approach because I believe that, to responsibly undertake this task, one must weigh up the electorate's benefits in the Bill *versus* the overall benefits to the State, as I said, should the two conflict.

As new legislation, the Bill falls short of the mark and leaves a lot to be desired, and thus seriously calls into question the concept of change for the better and not change for the sake of change. Indeed, there is some confusion about the word "decriminalisation" and its exact meaning. I therefore undertook some investigation of what is meant by "decriminalisation" and how it differs from "legalisation". Black's *Law Directory*, New York, describes it as "an official act generally accomplished by legislation, in which an act or omission, formerly criminal, is made non-criminal and without punitive sanctions; in other words, part of the glossary of Parliamentary terms which mitigates the harshness of the prohibition". Indeed, as some cynics would say, it is a policy option taken by Parliamentarians which neither legalises nor leaves prostitution as a criminal act but which is more palatable as a term to the discerning public.

Therefore, in that respect the Bill is deficient. It is a soft option. Regarding the present Bill, of grave concern to me is the possibility that the trade can flourish with younger people being involved. I understand that evidence given to the committee by people in the trade, prostitutes, indicated that money was the most important reason for becoming a prostitute, and that the attitude of prostitutes was that first and foremost it was a job, one that is sometimes well paid. The committee placed women who entered the profession into four groups: first, women who are severely disadvantaged socially and economically; secondly women who are poor and/or in debt, or supporting children, or who are unemployed; thirdly, women subject to coercion; and, fourthly, women who seek money for a specific purpose. I understand that by far the greater number of women prostitutes fall into the second category.

With the current higher levels of unemployment among young people, it concerns me that any relaxation of the laws may attract greater numbers of people into that trade. I do not believe that we can countenance that approach. I cannot be party to any action that allows any possibility of that happening.

Clause 7 prevents the establishment of brothels within

residential zones. Certainly, I would not wish to have the operation of a brothel next door to my place of residence, or in my neighbourhood. However, the measure provided for in clause 7 which should be implemented can be achieved by other legislative means; that is, one can achieve this positive objective without relaxation of controls or impediment to the slowing of the expansion of the trade.

Some have suggested that those who oppose this measure are hypocrites. Although I acknowledge that the present law relating to prostitution is not working, I add that nor is the law working in many other areas. I use as an example (and perhaps it is an over-simplification to demonstrate my view) the law relative to burglaries not being effective. However, no-one would suggest that we do anything other than increase penalties in that area, nor would anyone suggest that we should decriminalise the issue. Similar action is necessary on this issue to give the police an effective means to control, or at least contain, the situation.

Decriminalising prostitution runs counter to the ideals that most would share about the sort of society in which we wish to live. However the Bill does not abolish the flaws in the current legislation. Rather, it abolishes the legislation. Dignity of the individual is one of the more important factors of individual personality. This Bill is about trafficking in humans, as has been rightfully said before in this debate. Yet, this Bill proposes to lift criminal sanctions on this debasing trade. The tenets of the Bill are in contradiction to the convention of the United Nations General Assembly, which called for the suppression of trafficking in persons and the exploitation of prostitutes and others. Indeed, while it is idealistic to expect that that can be totally achieved, at least there is an objective, a goal for which to strive for the benefit of the community at large, if we reject this legislation. In the final analysis, my vote will reflect the attitude of my electorate. I therefore oppose the Bill.

**Mr. BECKER (Hanson):** Many years ago I drew the Government's attention to the problems associated with massage parlours that had been established in my electorate, and some two years ago I called for an inquiry into prostitution.

I thank the previous Government for setting up the Select Committee to inquire into prostitution. I also place on record my appreciation that the Government of which I am a member followed on from that inquiry so that a report on this matter could be brought down in the House. It was extremely important that the Parliament should examine the effects on the community and society of prostitution, as we know it today, and certainly the effects of massage parlours.

In my previous electoral district, which extended into Glenelg, the problem of massage parlours and prostitution was highlighted because the council did not have the power to prevent people from establishing these places. It was through local councils and the Local Government Association, and certainly through representation to the Government of the day, that I believed that something had to be done to curb this practice. The real problem was the effect on the residents in my district. One would get someone who would rent a house, bring in four or five girls, establish a massage parlour, and claim that that was the only activity, whereas it was the front for a brothel.

When residents, some in their early 80's, complain about people (some highly intoxicated) calling at their front door at all hours of the night and the early morning, it is unsettling to those people and annoying to residents. That is when I was first drawn into the situation facing many people in the community. The council and police did everything they could, but everyone was powerless to act. It was only because of continual harassment that we were able to drive these places out of residential areas, and at least save the residents from further annoyance by the problem.

However, the problem has not disappeared. I would have thought that the Select Committee inquiring into prostitution would come up with far more positive answers, and a far more attractive way, of dealing with the problem. I estimate roughly that it cost the taxpayers of this State about $10 000 for this inquiry; the members of the committee would have received about $4 000 in fees. I do not object to that cost; it is justified, if we have a fair and reasonable report. Unfortunately, time today precludes me from going through the report in considerable detail. I indicated originally that I would make considerable criticism of the report, because I believe that it has failed in many areas. It may have failed for many reasons.

Certainly, that is one of the problems we have from time to time with the appointment of Select Committees. An election comes along, and the work is lost or has to be picked up again. In this case, it was picked up by four of the existing members, but I still believe that there was far too much haste in examining the whole situation.

I will sum up, in the brief time that has been given to me, and, although I am entitled to speak for the full 30 minutes, I have agreed that I will not delay the House further. The following highlights one of the problems we face in the community at present. It is a tragic story of a young man who was about to be married and whose colleagues had arranged a bucks' party for him. They took him out on the town on the Friday night and arranged for him to end up at a massage parlour. They were to leave him there, and they were to go their way and see him the next day at the wedding. Apparently, everything went reasonably well in that respect. The young man was duly married and, some time during the honeymoon, he discovered that he had venereal disease.

The result of the activities of that bucks' party, and of his colleagues taking him along to the massage parlour, broke up the boy's friendship with his mates and his marriage of a few weeks. It totally destroyed that boy, and you can imagine the conflict in the family and with his former wife. I hope that such practices do not go on every day, or even very often, but that is the problem that we face in these places, which are not properly controlled, supervised, or policed. I recognise that we have prostitution and that it is difficult to control. Therefore, it is a failure somewhere in society of the education and attitude to it. Tremendous problems are associated with the people who seek the services of those in brothels and massage parlours. The member for Mitcham, when introducing the legislation, said that he considered that prostitution was morally wrong. I therefore question the honourable member's reason for introducing the legislation so quickly.

I believe that the community has not had the time, during which the legislation has been before the House, thoroughly to consider and examine the whole aspect of prostitution. However, in view of members' concern and of my colleagues to ensure that a vote will be taken, I am prepared to waive the 24 remaining minutes of my time to allow a vote to be taken on the legislation. I could speak for the entire time that has been allocated to me and express my concern at the way in which the report was written and at the contents of it. I am disappointed that two colleagues will support the second reading of the Bill. I refer to the members for Torrens and Mallee. I should

have thought that they had sufficient concern for people in the community to oppose the legislation, as I do, because there is no way morally or otherwise in which I could condone prostitution.

**The Hon. J. D. CORCORAN (Hartley):** I will be brief, but not for the same reasons as was the member for Hanson, because, if I thought it was necessary to speak for 30 minutes on this measure, I would do so. If the matter is as important as the honourable member said it is, he ought to have spoken for that time to convince us that his views are sound. The honourable member claimed that he was instrumental in having the previous Government constitute this inquiry into prostitution. If that is the case, I do not think that the honourable member has given a very enlightening account of, or has paid due attention to, what flowed from the original inquiry. True, it is difficult to legislate for morals, and this is a problem of human relations, which is even more difficult. However, the Legislature should have the courage to face up to it.

This Parliament appointed a Select Committee, which has spent much time and effort on its inquiry into prostitution. Whether, as the member for Norwood said, the committee's members were properly equipped to do it is another question. However, they certainly put the time and effort into it. In addition, this is a private member's Bill, and members know the procedures of the House well enough to realise that, to give the measure a fair trial and run, they ought to support the Bill to the Committee stage. Members know that that is where the real debate takes place on an issue of this nature. It can go back and forth across the floor of the Chamber (unfortunately, in this case it is almost on Party lines, instead of on conscience).

I recall vividly the debate on the abortion issue. The member for Mitcham claimed that to be one of the best debates that he had heard in the House. It was one of the best debates in the House, because it was in Committee that the matter was thrashed out.

**Mr. Mathwin:** Were you happy with it?

**The Hon. J. D. CORCORAN:** Of course I was not happy, but I had the opportunity to have my say and to take as long as I liked to say it, because the Government at that time provided Government time for the debate. In a way, I am sorry the Government did not take the initiative to introduce this Bill and that Government time was not made available for debate on this Bill to be completed, one way or the other. It is as important as that.

I am concerned about certain aspects of this Bill. I am concerned that insufficient evidence, in my view, was given to the committee in relation to organised crime in this State and in relation to this particular activity. I am concerned that it might lead to the activity being taken over by shady interests, in fact, controlled almost entirely by one or two people, or something like that, and God knows what that could lead to. But the opportunity is there for me to voice that view in Committee and to seek to amend the Bill if I can, and, if that is possible (and we will get that out of debate), to curtail those things or to prevent them, but it should be given a try. It is certainly my intention to vote for the second reading of the Bill to see what transpires in Committee, and I will play my part in that debate to see what comes out of that. If it does not come out as I want it to do, I will vote against the third reading.

**Mr. BECKER (Hanson):** I seek leave to make a personal explanation.

**The SPEAKER:** The honourable member will have the opportunity at the end of the debate.

**Mr. BECKER:** On a point of order, Mr. Speaker; it relates to remarks made by the member for Hartley, and I want to correct that.

**The SPEAKER:** It is the practice of this Parliament, over a period now of some 14 months, that personal explanations are given so as not to interrupt the course of the debate or of Question Time, or whatever. Until such time as I am directed by the House that it should be otherwise, I will see the honourable member for Hanson at the conclusion of this debate.

**Mr. SCHMIDT (Mawson):** I note with interest that the member for Mitcham was nodding at the member for Hartley when he said that we should be able to debate this fully. I know the member for Mitcham will now not deny me the right to make a further comment, even though I spoke on the subject on one other occasion. On that occasion, I elaborated on the fact that prostitution was a trade, but on this occasion I want to add a few extra comments to some words of wisdom spoken by the member for Norwood over yonder, particularly when he stated that as far back as 1977 the Police Department, and he himself when he worked in the Attorney-General's Department, were concerned about interstate criminal elements coming into this State. I read an article on this matter in the *News* at the beginning of this month, and the member for Brighton spoke about the very same matter himself in this debate. It is a fact that by its very nature we cannot fully determine the extent of organised crime in this State. I am surprised that the member for Norwood should suggest that we could go on and discuss this matter in the Committee stage when we ourselves will not have the opportunity to investigate fully the extent of organised crime; yet it is proposed by the member for Hartley that maybe we should come forth with amendments and discuss those amendments. I agree that we should debate them, but, if we are going to debate them, how are we, at such short notice, going to be able to evaluate and investigate fully those amendments in relation to what their repercussions may be at some future time?

The member for Hartley also made the comment that he enjoyed the fullness of the debate over the abortion issue. Again, he acknowledges that there are recognised shortcomings in the whole abortion issue. I would like to place on record a letter I received from the President of the Lutheran Church who also makes the very same comment. I will read the letter, which states:

> Since the law in regard to prostitution is again to come before the Parliament of South Australia, we would like to express our deep concern that the proposed legislation would appear to promote the prostitution trade, rather than oppose it. We are disturbed by the approach which, while giving the appearance of supporting the liberty of the individual, is in fact making possible real forms of tyranny.
>
> We believe that without any ambiguity our laws should condemn the prostitution trade and not seek to legalise it. There is a real danger that, as with the abortion legislation, so also with the prostitution legislation, we be found to promote attitudes and actions which are in themselves destructive of both the individual and society.

If we are to be looking at laws with such huge ramifications, we should take the time to investigate the whole ramifications of that fully. This matter has been debated in public for quite some considerable time. The member for Mitcham introduced the Bill back in February, and there has been a lot of debate since that time, and a lot of opposition. If he was always here at the commencement of Parliament and always heard the petitions that have been laid on the table, he would have noted a number of petitions have been lodged with this Parliament in recent times by people protesting about the proposed legislation introduced into this Parliament by the

member for Mitcham. People are seeking a tighter control of that legislation. In conclusion, I will just make one reference to a comment made by the Minister of Transport on this matter, when he said:

> In other words, the present law does not force prostitution underground and it does not stop prostitution in the community.

That is the important thing. At the moment it is not underground, it is not a subservient thing. The police have the ability now to keep control of it and watch what happens. I would also like to have inserted in *Hansard* a statistical table given to me by the Police Department in relation to offences relating to drugs and other matters. It indicates that in June there were 11 arrests for the use of drugs within brothels. Again, this is an indication of what the member for Norwood said, that there is an infiltration from interstate of organised crime and, if that is the case, it is something we should investigate more fully. Therefore, I strongly oppose the idea that we should even allow this debate to go into the Committee stage when we have these sort of questions hanging over our head which need thorough investigation. I would sincerely hope that the member for Norwood, who has these doubts within himself, will surely get up and stand against these doubts and say, "Okay, let us investigate first; let us negotiate with all parties concerned and find out the truth of the matter before we go in here and put forth amendments when, at a later date, it may be too late to try to amend and avert the situation," as he himself acknowledged.

I seek leave to have the table inserted in *Hansard*.

**The SPEAKER:** Can I have the honourable member's assurance that it is purely statistical?

**Mr. SCHMIDT:** Yes, Sir.

Leave granted.

OFFENCES RELATED TO DRUGS, PROSTITUTION, ETC.

| Offence | January | February | March | April | May | June | July | August to 19/8/80 |
|---|---|---|---|---|---|---|---|---|
| Drugs | 1 | — | — | 3 | 1 | 11 | — | 2 |
| Permit premises to be used as a brothel | — | 1 | 3 | 3 | — | 1 | 1 | — |
| Receive money in a brothel | 13 | 16 | 13 | 22 | 7 | 18 | 7 | 1 |
| Aid and abet receive money paid in a brothel | 4 | — | — | 7 | 1 | — | — | — |
| Keep or assist to keep a brothel | 3 | 2 | 2 | 5 | 2 | 2 | 3 | 1 |
| Solicit | — | — | — | 1 | — | — | 3 | — |

**Mr. MILLHOUSE (Mitcham):** I thank all honourable members who have taken part in this debate and, indeed, in the debate which we had in the first session of the Parliament. It would be churlish of me not to reply, but I do assure members, because I think everybody wants to get a vote this afternoon, that I will take only 10 minutes or so to reply briefly. I hope that I will not be criticised for not replying at greater length, but I think that will be sufficient time to cover the various points I would like to make.

This is a very emotional subject, and the debate which we have had in this Chamber and the discussion that there has been in the community have shown that. Very frequently, each one of us (and I do not except myself from this) takes a stand, comes to a point of view, guided more by emotion that by reason. We are all like it: it is a mixture, I suppose, with every decision we make. In a matter such as this, the emotional side of it often predominates.

I know it has been difficult for some members to come to a conclusion because the evidence has not been freely available to them. The member for Henley Beach suddenly became aware of this after some eight or nine months of debate, apparently only last week. The fact is that before he was even a member, in the last Parliament, it was felt proper to pass an amendment to the Evidence Act to protect those who were at that stage to give evidence before the Select Committee, against incrimination and to protect their identity. It was felt by members on both sides of the House that the Select Committee simply would not get evidence if people did not have those protections. That is the difficulty.

Once having done that, it was obviously impossible for the evidence to be tabled, because as soon as it was tabled identities (even if the names had been scrubbed out) would in many cases have been quite obvious. So, it was a difficulty we all had in this thing. I suspect, and I am not speaking necessarily of the member for Henley Beach now, that that has been seized on by some opponents of the Bill, inside and outside the House, as an excuse for voting against it, because they have said, "we have not been able to see the evidence."

In the nature of the matter, it was, by the time that this debate had started, impossible. In the very nature of the matter, anyway, it was difficult to see how it could be otherwise.

**An honourable member:** The Select Committee is not infallible.

**Mr. MILLHOUSE:** Of course the Select Committe is not infallible. No human being or group of human beings is infallible. I am not sure what conclusion the honourable member wants to draw from that. As I have said, I do not propose to answer all the points that have been made in this debate or outside. Just let me pick up a few things that have been said. This Bill has been called widely outside, particularly by the opponents of it, the "Millhouse Bill". I am happy to wear that, as I am happy to wear all the opprobrium which seems to come my way and has come my way since I first came into Parliament.

**Mr. Mathwin:** They tell me they're going to call them "Millhouses".

**Mr. MILLHOUSE:** Maybe many honourable members would think that was a fitting monument to me, I do not know. I remind honourable members that this Bill is based exactly on the Select Committee's report. All that I did when I found that the Government was not prepared to introduce a Bill was to go to Mr. Hackett-Jones, the Parliamentary Counsel, and ask him to please draft a Bill based on the Select Committee recommendations.

That Select Committee comprised members from this place, the Minister of Transport, the members for Playford and Stuart and me. We were the four survivors out of the seven original members, the other three of whom were the former member for Mallee (Mr. Nankivell), the former member for Todd (Mrs. Byrne), and the Chief Secretary of the Corcoran Government, (Hon. D. W. Simmons). By the time of the election, the seven of us had come to a conclusion, and the report had, to all intents and purposes, been finished.

By looking at the seven of us, one can see that we come

from different backgrounds. There was one woman and six men; some of us espouse the Christian faith; and others do not. Also we are of different political Parties, yet we all came independently, as far as I know (I was perfectly independent in my conclusion) to the same conclusions. If people want to call it the "Millhouse Bill" they may. I changed my views during the course of the Select Committee proceedings. I had been in favour of a system of registration beforehand, and maybe every member came to change his opinion. I do not know what members' views were at the beginning of the process. If members want to call it the "Millhouse Bill", they can. In fact, however, it was a Bill based on recommendations agreed by seven different people.

What has disappointed me during the debate that has gone on in this place and outside is that there has not been, from all the critics of the Bill, one constructive suggestion as to how to deal with this problem.

*Mr. Mathwin interjecting:*

**Mr. MILLHOUSE:** That's right. If this debate has done nothing else, I hope that it has brought home to the community that prostitution is flourishing openly. That is the position, and at least that fact can no longer be swept under the carpet. I am not satisfied to allow that situation to continue, and I am not satisfied that it should be pushed out of the way and forgotten. However, no-one who has criticised the Bill has come forward with any constructive suggestion as to what to do about the present situation. Every time I have had a discussion or a debate about the issue, I have asked people what they would do about it, but I have never had any suggestion except to tighten up the law. Let me deal with that, as I do not regard it as a constructive suggestion.

I do not believe that it is possible in our community with its present outlook to make prostitution outlawed or to tighten it, to change the onus of proof, to make it easier to get prosecutions, to allow police to break into places, and so on. I do not believe that the community would wear it. I believe the present law is nugatory because people are prepared to tolerate prostitution. That is why it is flourishing now. People are not observing the law and do not regard it as wrong.

It would be impossible to tighten the law with any success in the hope that it would work and that we could get rid of prostitution, or anything like that. I do not regard that as a positive proposal. Certainly, there has been a few suggestions that we should do that. The opponents of the Bill have been forced to say that, yet they have never committed themselves specifically to anything. Apart from those people, there has not been one suggestion from anyone as to what to do as an alternative to what was recommended by the Select Committee.

If any confirmation of what I have just complained about is needed, the fact is that this Bill is No. 26 on the Notice Paper and we are now up to Bill No. 69 or perhaps even No. 71 in the past couple of days. I introduced the Bill on 22 October, and it had first come in first in February. There is not one amendment on the file from any member. There has been criticism of it, but no-one who has spoken against this Bill has taken the trouble to suggest how it can be altered or improved at all. First of all, it surprised me, but it then confirmed what I had thought earlier and expressed a moment ago, namely, that this is merely an emotional topic with some people.

The member for Norwood this afternoon and the member for Hartley have both mentioned amendments, and I am quite happy that amendments from any member should be placed on the file and debated. I am not wedded to the detail of the Bill; I have introduced it in line with the Select Committee report. However, if the House and the other place afterwards want to amend it, let us get down to it and debate it. The member for Hartley mentioned the abortion debate, in which we were absolutely on opposite sides, yet that was debated by us continuously in this place and we were able to debate many amendments, and those that were passed probably improved the Bill. There is no reason at all why the same process should not be gone through here, but so far there is not one amendment on the file.

I have spoken for as long as I need to speak. I am as happy and as anxious as anyone that this matter should come to a vote. I hope that it will pass the second reading. If it does, obviously from a time point of view, apart from anything else, we cannot do more than get it into Committee. I certainly would not propose to take it beyond the first clause or so. That will give honourable members an opportunity to put amendments on file. It will then be adjourned, hopefully, to 11 February, which apparently will be the last day for private members' business. That would give honourable members two months and we could come back then and have a look at the amendments; we can go on with the process later, if necessary. That is what I hope will happen. If at the end of that process the Bill does not commend itself to a majority of members, that is the end of it; it is finished. However, I hope following what the member for Hartley said, that at least the Bill will get the second reading so that we may look at it clause by clause, in Committee. I commend it to the House.

The House divided on the second reading:

Ayes (20)—Messrs. Abbott, Bannon, M. J. Brown, Corcoran, Crater, Duncan, Hamilton, Hemmings, Hopgood, Keneally, McRae, Millhouse (teller), O'Neill, Payne, Peterson, Plunkett, Slater, Trainer, Wilson, and Wright.

Noes (20)—Mrs. Adamson, Messrs. Allison, P. B. Arnold, Ashenden, Billard, Blacker, D. C. Brown, Evans, Glazbrook, Goldsworthy (teller), Lewis, Mathwin, Olsen, Oswald, Randall, Rodda, Russack, Schmidt, Tonkin, and Wotton.

Pairs—Ayes—Messrs. Langley and Whitten. Noes—Messrs. Becker and Chapman.

**The SPEAKER:** There are 20 Ayes and 20 Noes. There being an equality of votes, it is necessary for me to give a casting vote. In the time-honoured tradition of the Westminster system, I give my vote for the Ayes so that the debate may continue.

Second reading thus carried.

**Mr. BECKER (Hanson):** I seek leave to make a personal explanation.

Leave granted.

**Mr. BECKER:** During the second reading debte, the member for Hartley said that I did not give my speech due attention. I refute that allegation: my brief speech was made after arrangements with the Opposition Whip. I was asked how long I would speak, and I said it would be for 30 minutes. It was put to me that there was an attempt to get the debate through by 5.15 p.m. and, realising that the member for Mitcham wanted a vote and being a reasonable person, I cut short my remarks.

Concerning the voting, I had previously made an arrangement to pair with the member for Elizabeth, as he would not be present in the House. When he returned he told me that an arrangement with the member for Unley had been made. I remember that last evening the member for Unley was saying that he had a pair. I was told that the pair arrangement did not exist and, to be consistent, I agreed to make pair arrangements with the member for Unley, who is not present today. I had previously given my

word to another member of the Opposition, and I had to stand by it. I am reasonable, and I believe that the pair arrangement was a fair agreement.

**Mr. LEWIS (Mallee):** I seek leave to make a personal explanation.

Leave granted.

**Mr. LEWIS:** Although I was not in the Chamber at the time, I believe that, during his remarks, the member for Hanson mentioned my intention to vote for the measure when I have chosen not to. It had been my earlier intention to do so but, as I pointed out in my speech, also to substantially amend the measure. I found, on consultation with some other members, that there was neither the time nor likelihood of those amendments being possible, and for that reason, rather than having people mistakenly believe that I supported the Bill in its existing form, I opposed it.

**Mr. McRAE (Playford):** I seek leave to make a personal explanation.

Leave granted.

**Mr. McRAE:** In relation to remarks made by the member for Hanson, in all fairness I support what he said about abbreviating his speech. He did that at my request, and there should be no reflection on him in acting in what I consider to be a fair and reasonable way. Secondly, in relation to the pair, I support the history as given by the member for Hanson, and indicate that there was considerable confusion throughout last evening and today (I am not suggesting that any blame should lay in any direction) concerning the pair for the member for Unley. I know that he left the House under the belief, whether right or wrong, that a pair would be granted for him. In these circumstances, clearly the member for Hanson—

**The SPEAKER:** Order! The honourable member is referring to a personal explanation as it involves himself.

**Mr. McRAE:** Yes, Sir, I am. It was in the light of these circumstances that discussion took place with the member for Hanson.

**Mr. EVANS (Fisher):** I seek leave to make a personal explanation.

Leave granted.

**Mr. EVANS:** As Government Whip, I wish to ensure that the press and others understand that for private members' business the Whips do not enter into official pairs. It is up to the individual member whose Bill, motion, or resolution is before the House to arrange them, or to individuals who wish to do so. This time two members were away on Government or Parliamentary business (Mr. Whitten and the Hon. W. E. Chapman), and they were paired through the two Whips.

Concerning the Mr. L. M. F. Arnold and Mr. Gunn, there were no pairs in case someone decided to interpret that there were. There was some doubt as to Mr. Gunn's position. He did not wish to vote unless he could speak during the second reading debate. I had nothing to do with negotiations that may have been associated with the member for Hanson or any other individual in private pairing.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

## BURNSIDE ROAD CLOSURES

Adjourned debate on motion of Mr. Millhouse:

That the regulations under the Road Traffic Act, 1961-1979, relating to Traffic Prohibition—Burnside, made on 29 May 1980 and laid on the table of this House on 3 June 1980, be disallowed.

(Continued from 22 October. Page 1311.)

**Mr. EVANS (Fisher):** I do not support the motion. I was fortunate to hear some of the evidence in relation to this matter. It is a matter that has gone on for many years and the people of the community have voted at council elections for councillors who have supported the attitude of the member for Mitcham and those who have opposed it. At the most recent council elections, where the vote was taken for local government, to which we refer as the lowest tier, but the closest form of government to the people of the area, the point of view expressed by the member for Mitcham was soundly defeated and the councillors who were elected were given a clear indication by the people who voted, with whatever support they had from the councillors elected at the previous election, that the present traffic control in the area should continue.

I believe that there has been sufficient negotiation, sufficient representation, sufficient research by the Road Traffic Board, by the council inspectors, and by traffic officers, to establish that the present road programme in the Burnside area, in which "stop" signs, "give way" signs, round-abouts, and other directional facilities have been installed, should remain.

**Mr. PETERSON** secured the adjournment of the debate.

**The SPEAKER:** That the adjourned debate be made an order of the day for?

**Mr. MILLHOUSE:** For 11 February 1981, Sir.

**The SPEAKER:** Is the motion seconded?

**Mr. MILLHOUSE:** Yes, Sir.

**The SPEAKER:** Order! I warn the honourable member for Mitcham that the Chair will not tolerate such activity in relation to quite important matters associated with procedure.

**Mr. MILLHOUSE:** In explanation, Sir, may I say that it is a time-honoured custom of this House which I have used many, many times over the years.

**The SPEAKER:** Not with my knowledge.

## BEVERAGE CONTAINER ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 19 November. Page 2040.)

**Mr. ABBOTT (Spence):** This is a short Bill of three clauses which seems to be a simple, straightforward and sensible measure. Unfortunately, there are a number of ramifications that require much more thought and much deeper consideration. For those reasons, some of which I will endeavour to explain in more detail, the Opposition must oppose the Bill at this time. When he introduced the Bill, the member for Flinders said that it was quite specific in its intent, that it was designed to bring some equality into beverage container legislation to ensure that all types of beverage container should be treated equally. The Opposition recognises the problem of litter and its implications for our country towns, our cities, and especially the beaches, and it is not difficult to understand the concern of the Corporation of the City of Port Lincoln which, I understand, has maintained a campaign on this matter going back to 1954.

The Town Clerk of the City of Port Lincoln points out in his letter of 14 November, which was sent to all town and district clerks, that his council firmly believes that the united strength of all local government authorities in this State can accomplish positive action, despite the very

considerable opposition mounted against them. The Town Clerk of Port Lincoln did not specify in his letter the opposition levelled against this measure, but in the same letter he thanked those 74 councils which responded to his letter for the almost unanimous support they had given.

I have four councils covering various parts of my district, yet I have been approached by only one of them which is supporting this amendment. I wonder how much support the Port Lincoln council has and how sincere are the other local government bodies in relation to this matter. Certainly, it would save the councils the trouble of cleaning up beaches, parks, and other problem areas. If a deposit did apply, no doubt they would receive some income from this measure. The member for Brighton, in his speech, mentioned that many of our charitable and social organisations, such as the scouting movement, raised considerable sums of money from the collection of returnable bottles, such as beer bottles. If a deposit is imposed, similar organisations will have to find other ways and means of fund raising.

I particularly oppose the deposit on wine bottles, because 85 per cent of such bottles are sold outside of South Australia. If a 10c deposit were imposed in this State alone, the large wineries would move their bottle operations interstate, with a dramatic effect on employment.

Literally hundreds of workers in the Barossa Valley and other areas of the State would lose their jobs. The same situation would apply with beer bottles if a deposit were imposed. I am told that packaging people in Sydney threaten the Government of New South Wales by saying, "If you introduce any beverage container legislation in New South Wales, we will shift our operations to Melbourne". In Victoria people involved in this industry threaten the Hamer Government with exactly the same thing, saying that if the Government intends to introduce any form of beverage container legislation they will shift their operations to New South Wales.

At the moment we have a full deposit system on soft drink bottles in this State, and the return rate for soft drink bottles is consistently around 84 per cent. That percentage has been maintained for some years. South Australia does not have a deposit system on beer bottles. They are worth 30c a dozen, but there is no deposit system. It is certainly not the 10c system which this Bill proposes and which is being supported by the Local Government Association. South Australia has never had a deposit on beer bottles, but we have had a return system for more than 80 years. The figures for beer bottles indicate that 80 per cent of them come back; it is very dubious whether putting a 10c deposit on beer bottles will increase that return rate at all.

**Mr. Blacker:** Do you think those figures would be accurate?

**Mr. ABBOTT:** I am certain that they would be accurate, and I will come to that point in a moment. A small percentage of beer consumed from bottles occurs in irresponsible circumstances—at beach parties, sporting functions, and so on, in circumstances where people tend to get intoxicated, and this is when the bottles get broken. The return rate differential between soft drink bottles and non-soft drink bottles is 4 per cent. These are industry figures that have been confirmed by the Department for the Environment, and they have been well documented over a number of years. These figures are subject to audit, and there is no doubt that they are very accurate. It seems unlikely that one would get any increase at all in the return of beer bottles, that is the 740 millilitre bottles, so why put a deposit on them? At the moment the Echo bottle does not have that return rate. A deliberate marketing strategy was adopted by the breweries at the time of the introduction of the can legislation. Those bodies fought the legislation tooth and nail and with the full support of the packaging industry throughout Australia, because at the time the whole industry was scared out of its wits.

The former Government was the first Government in the history of Australia to introduce can legislation and to provide for a deposit; the industry generally was scared out of its wits. It was opposed to the can legislation, not because of the situation in South Australia, with about nine per cent of the population, but because of the ramifications the legislation could have in the large States of New South Wales and Victoria. A very big battle is still going on involving the packaging industry, which certainly wants to have the beverage container legislation repealed and the industry will not rest until it sees that happen.

The differential in return rates between beer bottles and full deposit soft drink bottles is four per cent; approximately two per cent of this is because of interstate sales and a smaller export market. Approximately two per cent is accounted for, as far as can be ascertained on present evidence, by breakages due to irresponsible behaviour. The Opposition believes that the psychological and educational effect of a deposit may have a marginal effect on return rates. However, the dislocation that it would cause in the industry (to the breweries and the hotels in particular) would not warrant any change at this time. The Opposition certainly shares the member for Flinders' concern and the concern of the Local Government Association about broken bottles, particularly on beaches.

**Mr. Blacker:** The Local Government Association supports this.

**Mr. ABBOTT:** The Local Government Association is supporting the legislation. The Opposition also shares all local councils' concern, in the interests of public safety and of bringing about a further reduction of litter and waste components. In addition, the Opposition has given a firm undertaking to review completely the Beverage Container Act and the operations of the packaging industry generally when it is returned to Government. This will include a fully study of the social, economic and environmental impacts of a deposit system. In conclusion, I want to quote the policy of the Australian Labor Party on beverage container legislation, as was decided at the 1980 annual State convention. All members will know that the A.L.P. convention is the most significant political convention of its type in South Australia, if not Australia. It is where the proper policies are made. The A.L.P.'s policy on beverage container legislation is as follows:

> This convention reaffirms its support for the South Australian beverage container legislation.
>
> At the same time, it expresses its concern about the proliferation of so-called convenience packaging, which is unacceptable on environmental, resource use, and energy saving grounds. The returnable and reusable glass container remains the most economical form of packaging available and results in considerable cost savings to the consumer.
>
> Accordingly, convention calls on the State Parliamentary Labor Party to urge moves by the appropriate councils of Federal and State Ministers for uniform legislation to discourage one-way packaging and encourage reusable and recyclable containers.
>
> Convention further calls on the State P.L.P. in Government to review the Beverage Container Act and South Australian Waste Management Commission Act. Convention directs that, where practicable, their operations should be extended to further control litter, reduce solid waste, encourage garbage separation "at source" and promote packaging which conserves energy.
>
> Convention further directs that any reappraisal of the

Beverage Container Act should include special consideration of a deposit on beer bottles, having particular regard to the social, environmental, economic and employment implications.

For the reasons that I have outlined for the Opposition, we cannot support the Bill at this time.

**Mr. OLSEN** secured the adjournment of the debate.

## MURRAY RIVER

Adjourned debate on motion of Mr. Millhouse:

That in order to protect the quality of the water in the Murray River vital to South Australia, this House urges the Government forthwith to take proceedings in the High Court of Australia against the States of New South Wales and Victoria—

*(a)* for a declaration that this State is entitled to water from the Murray River of sufficiently high quality for use for human consumption and by primary and secondary industry;

and

*(b)* for an injunction against further diversions by either State of water from the Murray River system which may as a consequence further reduce the quality of water flowing down the Murray River into South Australia.

(Continued from 22 October. Page 1310.)

**The Hon. P. B. ARNOLD (Minister of Water Resources):** At the outset, I think it necessary to recall the essence of this problem. It is that New South Wales has decided to allocate additional water for irrigation on tributaries of the Murray River and its total system.

So far, the additional allocations look like exceeding 85 000 hectares, equivalent to twice the total area irrigated from the Murray River in South Australia. The consequence of this to downstream users will be to decrease flows in the Darling River reaching the Murray River, and to decrease the flows which are necessary to flush saline water through South Australia to the sea. This State will find itself limited to entitlement flows provided in the River Murray Waters Agreement for longer periods than in the past, with consequential longer periods of high-salinity concentrations.

There is also the possibility that these additional diversions will directly result in additional contributions of salinity to the river system. Our concern is that these decisions appear to have been made by New South Wales without adequate investigation of their adverse effects, in spite of conclusions by the consultants Maunsell and Partners that further allocations should not be made without further investigation, and pre-empting investigation by the River Murray Commission to establish a water-quality model of the Murray River to enable decisions like this to be made in the light of full knowledge of their effects.

South Australia had already taken action to draw its concern to the attention of the New South Wales authorities. On 27 October last year, I made representations to a meeting of Ministers representing the contracting Governments to the River Murray Waters Agreement at which the New South Wales Minister of Water Resources and I were both present. The Premier, Mr. Tonkin, subsequently wrote to the Premier of New South Wales, Mr. Wran, again calling attention to this problem and seeking a moratorium on new allocations until their effects had been fully evaluated. Mr. Wran replied as follows:

New South Wales is not convinced that the circumstances are such at this stage as to warrant a moratorium being placed on the issue of further allocations.

As it was apparent that decisions allocating additional water to irrigation were being made, I authorised challenges within the New South Wales legal system to the allocation of new diversion licences and high-flow authorities in the Darling catchment. This action has met with mixed success, as was mentioned by the member for Mitchell. We were successful in obtaining a decision against a group of applications, but an appeal by New South Wales against that decision is now being heard in the New South Wales Land and Environment Court.

Let me hasten to say that I do not regard this as purely a matter of South Australia *versus* New South Wales. The Murray River system could be regarded as being divided into two basins, the upper and lower basins. The upper basin would generally be considered as upstream of the Menindee Lakes on the Darling and above Swan Hill on the Murray. Upper basin users experience no river salinity problems and tend to see water flowing downstream from that area as a lost resource. However, lower basin users, on the other hand, can experience a severe salinity problem and would be adversely affected by the additional upstream development.

The lower basin takes in parts of New South Wales, Victoria and South Australia. The conflict therefore is not between New South Wales and South Australia, but between the upper and lower basins. In fact, it is between only a part of the upper basin and lower basin because, for most of the upper basin, both New South Wales and Victoria have decided not to make further allocations of water for irrigation. So, it is a question of conflict between the existing users of water in the lower basin, and those proposing new development in a part of the upper basin who appear to be happy to see this development take place without adequate investigation of its adverse effects. We are not against development in New South Wales; far from it. What we are against is development undertaken blindly in the face of evidence that it will adversely affect existing development downstream.

I will now consider in detail the motion put to the House by the member for Mitcham. The problem I have with this motion is that, if we adopted it as it stands, it would constrain the Government to one, and only one, course of action to solve this problem, that is, of immediately preparing to go to the High Court. Court action places the two parties in a completely adversary situation, and, at worst, can diminish the chances of settlement generally in the interests of both parties. However, should other avenues be exhausted, then a solution through the court must be pursued vigorously.

I refer once again to the comments made by the member for Mitchell, when he referred to what negotiations had taken place between South Australia and New South Wales, and on that occasion I outlined some of the discussions that had taken place. However, the process that has been adopted by the Government is to oppose all irrigation diversions to New South Wales. I point out that the member for Mitcham has come into this matter only in the past few weeks; in fact, I received a little letter from him at one stage referring to the application that was listed in the New South Wales *Government Gazette*, by O'Brien and O'Brien, for a further 7 000 hectares of irrigation. Before receiving that letter, I had some three days earlier written a letter of objection to that proposed application. Since I started on this course of objecting to further irrigation diversions in New South Wales, I have lodged about 70 objections. Virtually all of the applications of any consequence whatsoever in New South Wales have been

officially objected to by South Australia.

It is a long, drawn-out affair. The reason for taking the action we have taken and continuing to oppose further irrigation diversions is on the legal advice available to us. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

*[Sitting suspended from 6 to 7.30 p.m.]*

## ROAD TRAFFIC ACT AMENDMENT BILL (No. 3)

Returned from the Legislative Council without amendment.

## HOLIDAYS ACT AMENDMENT BILL (No. 2)

**The Hon. W. A. RODDA (Chief Secretary)** obtained leave and introduced a Bill for an act to amend the Holidays Act, 1910-1975. Read a first time.

**The Hon. W. A. RODDA:** I move:

*That this Bill be now read a second time.*

It amends the Holidays Act to provide for a permanent date for the holding of the Queen's birthday holiday. The Queen's birthday holiday has traditionally been observed on the Monday following its observance in the United Kingdom on a Saturday in June. This practice had been adopted by all States, except Western Australia, so that the announcement in the United Kingdom and Australia in relation to honours conferred by Her Majesty on the occasion of her birthday would coincide. This resulted in the holiday being observed on some occasions on the second Monday, and, in other years, on the third Monday in June. This uncertainty resulted in a number of organisations requesting that a fixed formula should be developed to facilitate long-term planning for sporting, recreational or similar events.

The matter was raised at the Premiers' Conference in 1979 and agreement was reached between the States (excluding Western Australia) that agreement should be sought to have the Queen's birthday holiday observed on the second Monday in June of each year. Before these negotiations could be concluded, advice was received indicating that in 1981 Her Majesty's birthday would be celebrated in the United Kingdom on Saturday 13 June. A proclamation was therefore issued declaring that the holiday would be observed in South Australia on the following Monday, that is, 15 June 1981.

Some weeks later, further advice was received indicating that the request from the 1979 Premiers' Conference for this holiday to be celebrated on the second Monday in June each year had received Royal approval and, accordingly, in all States, excluding Western Australia, the holiday will be observed in 1981 on 8 June.

It was subsequently established that, whilst the Holidays Act provides that the Governor may, by proclamation, declare a particular day as being the day on which the Queen's birthday will be celebrated, there is no power to amend or substitute an earlier proclamation where that proclamation is subsequently deemed to be inappropriate.

Accordingly, this Bill alters the date of the Queen's birthday holiday for 1981 and future years to the second Monday in June and, at the same time, provision is made for varying proclamations under section 5 of the principal Act to meet similar problems in future.

Clause 1 is formal. Clause 2 makes a consequential amendment to section 3. The provisions of that section will not now apply to the Queen's birthday holiday. Clause 3 amends section 5 to empower the Governor to vary or revoke a proclamation made under that section. Clause 4 amends the second schedule by inserting a reference to the second Monday in June in Part I, and by deleting the reference to the Queen's birthday holiday in Part III.

**The Hon. J. D. WRIGHT (Adelaide):** One could hardly describe this Bill as an earth-shattering piece of legislation, but nevertheless, it is quite necessary.

**An honourable member:** Start him off on the easy one.

**The Hon. J. D. WRIGHT:** In these circumstances, because of the necessity, the Opposition intends to support this Bill. The Bill has been brought about by an attempt, in the first instance, to bring some uniformity into the Queen's birthday holiday situation on a national basis, and I commend that attitude. However, it is clear that, because of difficulties that are, I believe, beyond anyone's control (and I therefore make no complaint about that), the Government got itself into a position of trying to reach uniformity in relation to celebrating the Queen's birthday on 15 June.

Some time later, it was established that Royal assent had been given to a different date. In the meantime, the Governor had proclaimed 15 June the holiday and, as a consequence of not having reproclamation rights, the Governor is not able to alter the holiday back to the proposed date of 8 June. The Opposition and I support the holiday being uniform and, I also believe that Western Australia, which is now evidently, according to the Minister's second reading speech, remaining aloof from joining in on a national basis, should be enticed, at a subsequent Minister's conference when this matter is discussed, to come into line so that there is uniformity throughout Australia in relation to this holiday.

I believe in uniformity on all holidays. I believe that Labor Day, for example, ought to be celebrated on a given date right throughout Australia, and thus recognised as such for that purpose.

Also, this Bill will give all sporting bodies and associations an opportunity of planning well ahead if they know on exactly which date the holiday will be celebrated. I take it, from what the Minister has said in his second reading explanation, that it is the intention of this Government and all other Governments, other that the Western Australian Government, that in future they will hold the holiday on the second Monday in June. In these circumstances, the Opposition supports the legislation. I hope that the Minister will do all in his power to put this on a national basis.

**The Hon. W. A. RODDA (Chief Secretary):** As the Deputy Leader has said, this is a small machinery Bill. I take on board what the Deputy Leader has said. The matter of Western Australia is being canvassed. However, it is not for us to tell them what to do. I thank the Deputy Leader for his remarks. This Bill requires a speedy passage and will enable a lot of people to go ahead with their arrangements.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Governor may substitute another day for day appointed."

**Mr. KENEALLY:** It is important, in regard to a Bill on which there is consensus within the House, to see whether the consensus extends elsewhere. I ask the Minister whether he has received Her Majesty's approval for the proposition to change the day on which we celebrate her birthday. If I knew that this was so, I would be able to make my contribution to this debate with a free

conscience.

**The Hon. W. A. RODDA:** Considering my standing with Her Majesty, I can assure the honourable member that he can proceed with his contribution with a free conscience.

Clause passed.

Clause 4 and title passed.

Bill read a third time and passed.

## TRADING STAMP BILL

Received from the Legislative Council and read a first time.

**The Hon. JENNIFER ADAMSON (Minister of Health):** I move:

*That this Bill be now read a second time.*

It proposes the prohibition of third party trading stamps and the repeal of the Trading Stamp Act, 1924-1935. Under third party trading stamp schemes, independent trading stamp companies (the "third party") sell trading stamps to retailers. When consumers purchase goods from the retailer, they receive a certain number of stamps, with the number received depending on the value of the purchase. The consumer collects the stamps and can eventually receive goods from the trading stamp company upon redemption of the stamps. Consumers can select from the company's catalogue, although the value of goods available to each consumer depends on the number of stamps which have been accumulated.

Trading stamp schemes need not involve a third party. Stamps may be issued by a retailer and be redeemed either by that retailer or by the manufacturer of the goods purchased. The Trading Stamp Act prohibits all trading stamp schemes promoted in connection with the sale or advertising of goods. The Governments of 1924 and 1935 argued that the stamp system of trading undermined local enterprise and encouraged monopoly, because those manufacturers and retailers who were able to offer stamps and associated gifts at no extra cost, in many cases large interstate manufacturers whose stock included the lines offered as gifts, gained an unfair advantage over those who were not able to do so.

In recent years it has become increasingly apparent that the very wide ambit of the Act is out of phase with modern market circumstances, for in prohibiting the more traditional coupon systems of trading the Act also prohibits such trade promotions as cash rebate schemes, bonus gift offers, free vouchers, and competitions. Such promotions have become standard features of the marketing environment. The prohibition of this kind of promotion has imposed several costs upon the community.

Where a promotion is being run nationally, suppression in South Australia is a cost to South Australian consumers, because they are being deprived of potential benefits for which they are paying. In recovering the cost of an Australia-wide promotion, companies will not charge a lower product price in South Australia to reflect the foregone promotion. Costs are also incurred by South Australian manufacturers and traders as a result of the Trading Stamp Act. These include the costs associated with interpretation of the Act, with the need in some cases to prepare separate promotional campaigns for South Australia and for other States, and with withdrawing campaigns found to contravene the Act. The Government considers that these schemes should be allowed.

The Bill prohibits third-party trading stamps schemes, as these have several undesirable characteristics. For example, consumers may not be able to estimate the value of the benefit that they receive. Furthermore, no interest has been shown by any party in changing the *status quo* with respect to such schemes. The following interested parties have been consulted concerning the proposed amendments, and they all support them: the Retail Traders Association of South Australia Incorporated, the Chamber of Commerce and Industry South Australia Incorporated, and the Australian Association of National Advertisers.

Clauses 1 and 2 are formal. Clause 3 repeals the Trading Stamp Act, 1924-1935. Clause 4 provides definitions necessary for the interpretation of the Bill. Subclause (2) provides that a trading stamp published in a newspaper or magazine is not a third party trading stamp if it is redeemable by the manufacturer or a vendor of the goods to which it relates.

Clause 5 provides offences in relation to third party trading stamps. It will be an offence to supply or redeem a third party trading stamp or to publish an advertisement relating to a third party trading stamp. Subclause (4) provides a defence where the publisher of the advertisement could not be expected to have known that the advertisement related to a third party trading stamp. Clause 6 provides that company directors are guilty of an offence committed by their company unless they could not have prevented the commission of the offence by the exercise of reasonable diligence. Clause 7 provides for the summary disposal of offences against the Act.

**The Hon. J. D. WRIGHT** secured the adjournment of the debate.

## METROPOLITAN MILK SUPPLY ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 2 December. Page 2436.)

**Mr. KENEALLY (Stuart):** Although the Opposition supports this Bill, I express what might be a personal view about the Government of the day, which, in its public rhetoric, professes to be the supporter of unadulterated free enterprise. Yet in practice, it is quite prepared to interfere with what is euphemistically described as the free market. A Bill of this sort could more commonly be expected to come from the Labor Party than from the Liberal Party, but the fact that it comes from the Liberal Party does not detract from its importance or from the support that the Opposition is prepared to give to it.

South Australia presently has a viable milk vending system that gives employment to 420 milk vendors. Unfortunately, one of the supermarket chains has found a loophole in the Act that would enable it to registrar as a milk vendor, to buy milk direct from the wholesaler and provide it from its supermarkets. Of course, this threatens the viability of those people who currently depend on deliveries not only to households but also to retail stores to maintain a living. The Minister's second reading explanation is comprehensive, and it covers the essential points with which we should concern ourselves when looking at the legislation.

The second aspect of the Bill enables supermarkets to sell cream, whereas they would not be permitted to sell milk unless they were registered. The purpose of the Bill is to enable the Metropolitan Milk Board to refuse registration to any company or any person that it feels might not be an appropriate company or person to have such a licence. The Opposition supports the Bill. Members on this side think it is essential. We understand that it is temporary legislation, that the milk vending industry will be the subject of some research, and that in future we will be able to discuss further legislation on the matter. The Bill has our wholehearted support.

**Mr. MILLHOUSE (Mitcham):** I have only a few things to say about this Bill. Perhaps honourable members will not readily accept this, but I take some of the credit for the introduction of this Bill.

**The Hon. D. C. Brown:** I thought I introduced it.

**Mr. MILLHOUSE:** Yes, but it was because of me that you did.

*Members interjecting:*

**The SPEAKER:** Order! The honourable member for Mitcham has the call.

**Mr. MILLHOUSE:** A couple of weeks ago representatives of the Milk Vendors Association came to see me in great alarm about the problem which has been canvassed by the Minister in the second reading explanation, namely, that supermarkets, and especially one of them (I cannot remember whether it was Coles or Woolworths)—

**The Hon. D. C. Brown:** How long ago?

**Mr. MILLHOUSE:** A couple of weeks. They came to me and said that the matter was urgent. They said, "These people are going to apply for a licence and there is nothing the Milk Board can do to stop them. We have to get a Bill through before Parliament goes on holidays for Christmas." They did not put it quite as disrespectfully as that, Sir, but that is the substance of it. I wrote immediately to the Minister of Agriculture and asked him to introduce a Bill, but I have not had an answer.

**Mr. Keneally:** Was it in writing?

**Mr. MILLHOUSE:** Yes, the letter was in writing; that is how the Minister would put it. I have not had even an acknowledgement.

**Mr. Trainer:** This Bill is the acknowledgement.

**The SPEAKER:** Order!

**Mr. MILLHOUSE:** This Bill is the acknowledgement. Yesterday, when I thought it was too late and I was beginning to ponder other action, the Bill hit the deck, and here it is. It is not often that I am pleased about Bills that are introduced, but I am pleased about this one. I thought there was something in it which gave some power to the Minister, but I cannot see it for the moment. If it is not in the Bill, it does not matter; if it is, perhaps the Acting Minister will deal with it when he replies. I have only just got a copy of the Bill and I am reading it as we go along. I was told this morning, not by the milk vendors who approached me originally but by another party interested in milk, that the board did not have the power—

**The Hon. R. G. Payne:** Look on the back.

**Mr. MILLHOUSE:** I have not got new section 32 (8) in my copy. Has the Minister given me the wrong Bill?

**The Hon. D. C. Brown:** Look at the Bill on the file.

**Mr. MILLHOUSE:** It is on the file, and there is a new subsection (8). So, I have survived the Minister's trickery. The wrong Bill has been circulated.

**The Hon. D. C. Brown:** The one on the file is correct.

**Mr. MILLHOUSE:** I wondered why I could not find it earlier. The bit which I do not like and which I raise as a query is as follows:

> The board shall not exercise its powers under subsection (6) or (7) except with the approval of the Minister.

**The Hon. R. G. Payne:** That's the *quid pro quo* for last night.

**The SPEAKER:** Order!

**Mr. MILLHOUSE:** I appreciate the honourable member's help tonight, and I am glad that he recalls what happened last night. I was told this morning that the provision to which I referred is not an acceptable amendment; it is not acceptable to make the board subject to Ministerial control. I was told that this was something that the previous Government wanted to do, but it was very strongly opposed. Now, probably because the same public servants are advising the Minister, it has snuck into this Bill.

**The Hon. Peter Duncan:** Only this afternoon the Premier was saying that this Government does not apply any pressure to statutory authorities. It's fascinating.

**Mr. MILLHOUSE:** I do not think anyone accepted that. There is no reason in logic why the exercise of this power should be subject to Ministerial control.

**The Hon. Peter Duncan:** If there is, they haven't told us.

**Mr. MILLHOUSE:** Yes, but I warn the member for Elizabeth, in all fairness, that apparently his Government was proposing something in a Bill which either never came in or to which something happened. There is no reason of which I know why that provision should be there, and it was not mentioned by the Minister when he spoke. It is not in the second reading explanation, as far as I can recall. So, unless the Minister can give a good explanation of why there is this Ministerial control (being brought in by a Liberal Government, which I thought liked to leave these things alone), I will have to oppose that provision.

**The Hon. D. C. BROWN (Minister of Industrial Affairs):** I thank honourable members for their assistance in getting this Bill through, and I thank the member for Mitcham for his obvious support and his mental telepathy in helping me to think of introducing it. The only problem is that he thought about it two weeks ago. When I was Acting Minister of Agriculture, in October, the first approach was made to me, so the decision had been made to start investigating the matter last October.

**Mr. Millhouse:** But I am sure it was my final push that did it.

**The Hon. D. C. BROWN:** I wonder whether it was not the other way around: because the Government was looking at it, the member for Mitcham thought that he should jump on the band waggon, as he always attempts to do. It was not even a push from the member for Mitcham that encouraged me to do it, because I have not yet seen his letter. They show me relevant correspondence only.

**Mr. Millhouse:** It was in writing.

**The Hon. D. C. BROWN:** I realise that it was probably in writing, but I am shown only relevant correspondence.

**Mr. Millhouse:** I hope the Minister—

**The SPEAKER:** Order!

**The Hon. D. C. BROWN:** The honourable member's letter has not reached me, but I will make sure that he gets a reply. Even though it may be a lengthy reply, I am sure that the honourable member will regard it as only a simple acknowledgement of his letter, as he always does. Let me explain to the member for Mitcham, who seems to be so perturbed about new section 32 (8), why it has been put there. It was not the public servants who instructed me to put it there; in fact, I instructed them to make sure that it went in, for one very good reason.

If the honourable member looks at the rest of the Bill, and particularly at clause 2, he will see that there are fairly wide powers, especially the power for the board to reject a licence and, in rejecting a licence, the board does not have to state a specific reason. In trying to look at this problem (which was not quite as easy as one would expect) and to find solutions, it became obvious that we had to give the board very wide powers.

The reason for this is that, although it may be possible to stop, say, a supermarket from going in and getting a vendor's licence, we need to make sure that if a straw company was set up, even under the name or under the shareholding of another person, it is still possible to stop that straw company from acting in concert with the supermarket and, in effect, achieving exactly the same

thing as the supermarket itself having a vendor's licence. Because broad powers were put into the Bill for the board to reject a vendor's licence, I equally thought it important that we have some scrutiny of the way in which that power was used.

**Mr. Millhouse:** The Big Brother attitude.

**The Hon. D. C. BROWN:** It is not Big Brother at all. It is the board that makes the decision. The Minister is there to make sure that it is using that broad power in a wise manner. The politicians, the Ministers, must be ultimately accountable, as the member for Mitcham knows, and I would therefore have thought it was up to the Minister himself to be, if you like, the court of appeal, if persons objected to the way in which the board had used that power. That is the reason for the proposed new subsection (8) in the Bill.

**Mr. Millhouse:** It does not apply to any of the other subsections in the original Act, does it?

**The Hon. D. C. BROWN:** No, but if you look at the rest of the Act, nowhere is there power to reject a vendor's licence. So, one can understand why it is not in the Act already, but that is not good enough reason why it should not be in there, as we are putting in an additional and very significant new power of the board. I also want to answer the question raised as to why we are giving the power to split a licence between cream and milk. The shelf life of milk is very short, as I am sure all members realise. The shelf life of cream is approximately 14 days. One other wholesaler of groceries in South Australia already has a vendor's licence. It uses that vendor's licence only to distribute cream; it does not use it to distribute milk.

**The Hon. Peter Duncan:** Which firm is this?

**The Hon. D. C. BROWN:** I said that one large wholesaler already has that. I am not going to name the company in here; I do not think that that is appropriate. Incidentally, I have spoken to the supermarket which applied for the vendor's licence referred to in the second reading explanation. That company thought that its main interest was in the area of cream, and it was certainly not distressed by the Government's taking this move. I think that perhaps there has been some misunderstanding as to the reasons why we have done this, and certainly the extent to which the supermarket chains may have tried to alter the nature of the distribution of milk if such an amendment was not made. However, the amendments are made simply as a safeguard.

I stress to honourable members what I see now as the broader and more important problem, namely, that there needs to be a reassessment of milk distribution and certainly the vending system here in Adelaide, and that needs to be taken up by the Milk Board immediately. The reason for this is that there are some 430 milk vendors in the metropolitan area. Most of those distribute to homes, although 25 of them distribute only to shops and do no home deliveries. Incidentally, those 25 are not zoned like the others that distribute to homes. As I understand it, this tends to put them in a position of unfair advantage compared to the majority of milk vendors who also distribute to homes. So, it is important that the position of those select 25, compared with the remainder of the 430, be carefully considered. In the absence of the Minister, I have asked the Milk Board to take up that matter, and the Chairman of the Milk Board gave me an assurance this afternoon that he would do that and report back on what he sees as any other potential changes that need to be made to the Act.

I stress that I see this as only one interim measure. I would not be at all surprised to see other legislative changes brought in, perhaps early next year or later next year, depending on when the further and fuller investigation by the Milk Board is completed. I thank honourable members for assisting the passage of this Bill through the second reading, and I look forward to their further support in the remaining stages.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Refusal of licences."

**Mr. KENEALLY:** I seek information from the Minister about how a company or a reseller, or whatever, can obtain a licence. Under the Bill, the board can refuse an application for a milk vendor's licence, and it can also cancel a licence of an existing milk vendor. What is the position where a person obtains a licence legitimately from the Milk Board and then wishes to dispose of that licence to a supermarket? Does the board have power to refuse the transfer of the licence from the vendor to the supermarket? Can the Minister provide information on what exactly would happen in a circumstance such as that?

**The Hon. D. C. BROWN:** Yes, the board would have power to refuse the transfer. In fact, if the licence was transferred, the board would have power to remove it. As I understand it, there are other requirements that one must meet before obtaining a licence. When the board checks on those other requirements, particularly as to the suitability of vehicles, the distribution of milk, etc., and as to the area in which a person is likely to distribute, at the same time it could check, and no doubt would notify the person before the transfer took place that in the view of the board such a transfer would be undesirable. Obviously, in those circumstances the transfer would not proceed.

Because the board must do other checking and would be notified of transfer, at the same time it would be in a position to assess the impact of that transfer on the distribution of milk. If there was an attempt to conceal a nature of the body to which the transfer was being made (for instance, if a straw company was set up to which a licence was being transferred), the board does have the power to withdraw that licence, if it were not fully informed at the time of the transfer. Generally, one would expect that to take place before the actual transfer occurred. Therefore, the person selling the licence would not lose any money because of such a situation.

**Mr. MILLHOUSE:** The Minister was kind enough when closing the debate to answer the point that I made in the second reading debate. However, I must say that I am by no means persuaded by what he said. I am talking now about proposed new subsection (8) on page 2. If I understood the Minister correctly, he said that we were giving the Milk Board very wide power, that they did not have those powers already, and that it was necessary to keep an eye on the way in which the board exercises those powers, so that the Minister could be—I think his term was "a sort of court of appeal". I interjected, probably wrongly, "Big Brother", and the Minister would not have that, but, of course, that is what it means. It means that the Minister does not think that the Milk Board is to be trusted with the power we are giving in new subsection (7) and (8), and someone must keep an eye on the board.

That runs contrary to the whole scheme in the Act. The Minister did not seem to realise that; certainly, he did not say it. The scheme in the Act is not Ministerial control but control by the Milk Board. What he said was an insult to members of the board, as though they did not have the capacity, sagacity or honesty to be entrusted with such powers as we are giving. I reject that. When I was in amalgamated practice more than 15 years ago, I used to act for the board. They are probably all different people now, but they were decent, intelligent, capable people.

**Mr. Keneally:** And they survived?

**Mr. MILLHOUSE:** They survived the advice that I used to give them, which probably shows how good they were. I see absolutely no reason why Parliament should prefer the view of a Minister to the collective view of the board. In the principal section, which we are amending by clause 2, there are already very wide powers which are exercised by the board, without being subject in any of the first five subsections to Ministerial control. I will outline what they are. Subsection (1) provides:

> Except as allowed by this Act the board shall not refuse an application for a licence.

I suspect that that is as far as the Minister got when thinking up the point to answer me. Subsection (2) provides:

> Where—
>
> *(a)* a person applies for a licence for unlicensed premises . . .
>
> *(b)* such premises or plant, equipment, or animals do not comply with this Act,
>
> the board may refuse the application or grant a provisional licence.

The board does have certain powers under (2a), which provides:

> A provisional licence—
>
> *(a)* shall be in force for the period specified therein by the board . . .
>
> *(d)* may contain any other conditions which the board deems necessary.

Subsection (2b) does not give a power to the board, nor does (2c). Subsection (3) provides:

> The board may refuse an application for a milk producer's licence if the applicant's dairy farm is not within the metropolitan producing district . . .

The board shall not refuse it, except in certain circumstances. So, we already have given, in the principal section, wide powers to the board that are not subject to Ministerial control. I cannot for the life of me think why. I imagine that the Minister is going to appeal to some other section in the Act, but we are looking at section 32. I cannot for the life of me see why the powers in this matter should be subject to a veto and direction, and final decision by the Minister. If the Minister thinks that the board is incapable of exercising the powers in section 32, why does he not apply the veto to all of them? Why only to these? It may be that the Minister has been smart enough in the past couple of minutes to find a complete answer to what I have said. If there is a complete answer, I shall be the first to give way. Unless there is, I propose, the next time I speak, to move an amendment to delete subclause (8).

**The Hon. D. C. BROWN:** The honourable member is having a bad day. First, he has stated that the provision runs completely counter to the principal Act and that nowhere else in the principal Act does this power of veto exist. That is a classic case of his trying to blind us with his legal knowledge. He is trying to wriggle out of it now, but I have found four places in two pages where the Minister has that power of veto.

**Mr. Millhouse:** In section 32?

**The Hon. D. C. BROWN:** The honourable member has said that it runs completely counter to the principal Act. I will come to section 32 shortly. I refer him to sections 13 and 20. I will read the sort of provisions there and the power of veto the Minister has. Section 20 (3) provides:

> The board shall pay to the Treasurer a reasonable fee of an amount approved by the Minister for every audit.

That is exactly the same type of power. It is not a direction. That is the other mistake the honourable member has made. He accused the Government of trying to bring the board under Ministerial direction. There is no power under subclause (8) by which the Minister may direct the board. All it says is that the Minister may veto the decision of the board. I believe that, where that broad power exists, the Minister should have that power of veto. I ask the honourable member to look at section 13, in at least two places there, and again in section 14, perhaps. The Minister on two occasions also has that power of veto. Certainly, he has it in section 12, which provides:

> The terms and condition of employment of the Chairman and other members of the board shall, subject to this Act, be as from time to time determined by the Minister and without limiting the generality, of subclause (2), the board may, with the approval of the Minister . . .

The Minister and that general power for the Minister are not foreign to this Act. If you look at the present powers of the board to reject the licence, they are what one could describe as very objective. Section 32 (4) provides:

> The board may refuse an application for a licence if—
>
> *(a)* the applicant has twice contravened or failed to comply with the terms and conditions of a licence previously granted to him under this Act; or
>
> *(b)* the applicant whilst holding a licence has, after being warned by the board, continued to contravene any industrial award or to pay wages below the living wage; or
>
> *(c)* the applicant has been twice convicted of offences against this Act.

They are very objective assessments. New section 32 (6) provides:

> The board—
>
> *(a)* may refuse an application for a milk vendor's licence . . . if, in its opinion, it is likely that—
>
> *(c)* all or most of the milk and cream that will be sold pursuant to the licence will be sold to members of the public at a shop, whether directly by the licensee or ultimately by a subsequent vendor of the milk or cream;
>
> *(d)* the granting or continuance of the licence would have an adverse effect upon the existing system of distribution of milk and cream in the metropolitan area.

That is a very subjective assessment by the board of whether or not the granting and continuance of the licence will have an effect on the existing distribution of milk or cream in the metropolitan area. That is why Ministerial veto has been put there. It is not foreign to the principal Act. It is not putting the board under Ministerial control. I am getting sick of the member for Mitcham trying to get away with blue murder, carrying on in the legal framework in which he carries on, and making outrageous statements that cannot be substantiated by the facts.

**Mr. PETERSON:** The small milk vendors are a class of people I admire and respect, and they work hard for their money. It has always been my understanding that it is an asset to the small vendor to have a bulk drop system somewhere in his round. This Bill will take away from the vendor the ability to build up that part of his trade. I see the danger of the big man, supermarket or straw company taking over. Has a check been made to see whether it will take away part of their business? Do any of those vendors handle 50 per cent or more of their business under a bulk drop system. Could this Bill not work against the interests of the small milk vendor?

**The Hon. D. C. BROWN:** The answer is "No". This whole amendment to the principal Act is being introduced specifically to protect the very person to whom the honourable member has referred. There is a price at which the vendor purchases milk from the milk handler, such as Dairy Vale or Southern Farmers, a price at which the milk

is purchased from them, a price at which it is purchased by them from the farmer, a price at which the vendor may sell to the shop, and a fixed retail price for milk. That fixed retail price is the same whether the milk is sold to a shop or distributed at someone's front doorstep. The last price alteration was made on 24 April this year and gazetted. If the honourable member looks at the prices over the last six months he will see that the margin is generally made fairly lucrative for the vendor to have a bulk drop at a supermarket or shop. The very reason why supermarkets are obviously somewhat interested in this area is to take away that lucrative business. That is the whole reason why the Government has decided to act.

I met with some of the milk vendors late last week or early this week. They agree with my assessment that, if those bulk drops were taken away from the existing small vendor, this would make home deliveries somewhat unattractive; in fact, it would even threaten home deliveries of milk in the metropolitan area. That is the reason why the Government has acted, so I can assure the honourable member that the whole reason why we are bringing in the amendment is to protect the small vendor, and certainly not to threaten them. There is no intention of taking away a licence from the existing vendor distributing both to homes and to shops.

**Mr. Peterson:** What would happen to the small man if he got 50 per cent of his deliveries to some retail outlet?

**The Hon. D. C. BROWN:** It will not have any effect. That is why new section 32 (6) *(d)* is included, because the board can reject the licence only if the granting or continuance of the licence will have an adverse effect on the existing system of distribution of milk and cream in the metropolitan area. Just because one of the small vendors is getting over 50 per cent in bulk drops to shops, certainly that is not going to have an adverse effect on distribution, but if a supermarket chain did, it would disrupt the business of not just one but dozens of vendors throughout the metropolitan area. Again, I appeal to the member for Mitcham that that is the reason, because it is so subjective, why we believe there needs to be at least a power of veto or some scrutiny by the Minister rather than just by the board.

**Mr. Millhouse:** Can you say why the Minister's decision would be better?

**The SPEAKER:** Order!

**The Hon. PETER DUNCAN:** I also want to refer to the issue of the question of the exercise of power by the Minister. New section 32 (8) provides:

> The board shall not exercise its powers under subsections (6) or (7) except with the approval of the Minister.

It would seem from that that it is a pre-condition, before the board could in any way exercise its powers under these two sections, and therefore the board, prior to any investigation or consideration of any matter, would have to apply to the Minister for approval to exercise its powers under these two sections before any of the evidence had been taken, before any consideration formally had been given to an application or a matter before the board. I think that is a ridiculous situation.

I do not agree entirely with the member for Mitcham in his view of the situation. I would, in any circumstances, prefer the decision of a Minister of this House, even if it be a Liberal Minister, to the decision of mere bureaucrats or others appointed to boards, because, although one might say that our democracy has strayed far away from the ideals, nonetheless members of this House are responsible to the people. Even if that is drawing a long bow these days to say that, they are responsible to the people in the final analysis or in the final event, unlike members of boards, such as the Milk Board and other people, particularly public servants. For that reason I always, as a matter of principle, prefer that powers be exercised by members of the Ministry than to have them exercised by anonymous public servants or members of boards.

I am not one of those who share the member for Mitcham's general concern in this matter. However, I am concerned in the more specific matter that the way this Bill has been drafted means that the Minister's power is, in effect, irrelevant anyway, because the only way he can, in effect, give the board power to operate under new subsections (6) and (7) would be to give a general approval for it to exercise its powers. I do not think that is the intention of the Government, but it certainly is the effect of this Bill. I think it is a matter to which the Minister will have to give consideration, because the only way this power could be exercised would be for the board, as a pre-condition, to make application to the Minister to be able to conduct an investigation or inquiry into the matters set out in new subsections (6) and (7). Having obtained the general power of the Minister, the board would then proceed with specific inquiries. I am sure that was not what the Government meant, but I think that is what it has saddled itself with.

**The Hon. D. C. BROWN:** I can cover the point made by the member for Elizabeth, and I suggest that he refer to the principal Act, which I suspect he has not done. If he looks at section 24 he will find that powers of investigation are there. Powers of investigation are not in the Bill under new section 32 (6) and (7). That power already exists in this section. The board can ask for financial statements. They are very broad powers and are contained in a number of sections. Section 24 states:

> The board, or any person employed by the board and acting under its authority, may by notice in writing require any person to furnish or produce within a reasonable period to be specified in the notice any document or information relating to milk or cream.

The power is there under a different section. The board does not need to seek the Minister's approval before exercising powers under section 24, so it can gather information together on which to make a decision or judgment and, having made the decision, seek the approval and decide to exercise the powers which exist under new subsections (6) and (7). It then needs to seek the approval of the Minister.

**Mr. BLACKER:** I am somewhat concerned about this clause, and I wonder whether the matter could be tackled on a slightly different tack. As I understand it, the Minister would be giving the go-ahead to the board to refuse to an applicant a job. To my mind, it would be much better if it was the other way around—that, an application having been made to the board and been refused, a right being given to the applicant to enable him to appeal to the Minister on that line. I draw a parallel with a number of other organisations such as those relating to fishing, where that sort of approach is made.

The present provision has the overtones of Big Brother, and, although I accept to a certain extent the Minister's explanation for its introduction, he will not always be the Minister. We could have every confidence in the present incumbent—

**Mr. Millhouse:** Do you mean the permanent Minister or the Acting Minister?

**The Hon. D. C. Brown:** I gave a good answer to a question today.

**Mr. BLACKER:** The Minister gave an excellent answer to a question today, and, if that answer is any example, he is certainly fitted to the position. I have spoken to the Parliamentary Draftsman about an amendment to provide that the operation of this clause would occur in the reverse

order: an applicant would lodge an application to the board and, if the board refused the application, the aggrieved applicant could then appeal to the Minister.

**The Hon. D. C. BROWN:** One would expect the Minister also to seek the views of the applicant and, in effect, the clause gives the applicant the right to appeal to the Minister if his application is rejected. One would expect the Minister to use his power in that regard, particularly if he decided to counter the board's decision. If the Minister was to do to that, he would obviously need information other than that supplied by the board, and one would expect that the logical source of other information would be the applicant. In effect, what the honourable member has asked for would be achieved under the operation of the clause.

**Mr. BLACKER:** I do not quite see it that way. My interpretation is that the board is advised by the Minister whether an application should or should not be approved, and that situation is vastly different from a person's making an application to the board and, if it is refused, being able to appeal to the Minister. There are two entirely different machinery operations. The Minister says that the same outcome is the ultimate objective, but I do not see it like that. I would prefer an applicant to be able to apply to the board and then appeal to the Minister if the application is refused.

**The Hon. D. C. BROWN:** I do not necessarily disagree with the alternative put by the member for Flinders and, if he moves an amendment to that effect, I am willing to support it. If the honourable member does not move that amendment at this stage, I will ensure that that is done in another place. I do not feel strongly about whether the procedure as suggested by the honourable member or that provided by this clause is followed.

**Mr. MILLHOUSE:** The member for Flinders was quite right: what the Minister had in mind was different from what he had in mind, and the Minister must have known that when he answered the member for Flinders. I prefer that subclause (8) be deleted. Therefore, I move:

Page 2, delete lines 9 and 10.

This amendment would delete subclause (8) and leave the decision to the board. From the self-confident manner in which the Minister answered my previous question, I thought that he had found in the Act some examples of Ministerial control, and luckily I had the principal Act in front of me.

**The Hon. D. C. Brown:** Ministerial veto.

**Mr. MILLHOUSE:** The Minister can call it what he likes. I was able to follow the examples that the Minister gave, and they are not at all to the point. All of the examples cited by the Minister are referred to in Part II of the Act, which deals with administration. Section 12 (2) states:

> The terms and conditions of employment of the chairman and other members of the board shall, subject to this Act, be as from time to time determined by the Minister . . .

That is an administrative matter and does not involve the discretion of the board. Section 13 (3) provides:

> The board may, with the approval of the Minister administering any department of the Public Service, make use of the services of any person employed in that department . .

Of course one cannot pinch public servants without the approval of the Minister. Again, that is an administrative matter. Clause 20 (3) provides:

> The board shall pay to the Treasurer a reasonable fee of an amount approved by the Minister for any audit.

Of course, someone must fix the cost of the audit. This is a semi-government body. The Minister stated that he could give four or five examples, but he gave only three eventually, all of which are administrative matters and none of which deals with the exercise of discretion by the board. It may be that the Minister does not know the Act and that there are other sections in which discretion is fettered by the Minister of Agriculture, but the Minister has not given any example to support what he said.

The scheme of this Act is that an independent board, rather than the Minister, should exercise the power. If this Minister does not like that scheme, perhaps we should dispense with the Metropolitan Milk Supply Act altogether and get another Act; we could also do away with the Metropolitan Milk Board. In some circumstances, I have sympathy with what the member for Elizabeth said. We have too many QANGOS that are out of control, but I do not believe that the Milk Board is out of control or that it should be abolished. For those reasons, I cannot accept the Minister's explanation, and am still opposed to subclause (8). I believe that, by putting it in, we are simply substituting the decision of the Minister for the decision of the board, and there is no justification for that.

The Committee divided on the amendment:

Ayes 2—Messrs. Blacker and Millhouse (teller).

Noes 38—Mr. Abbott, Mrs. Adamson, Messrs. Allison, P. B. Arnold, Ashenden, Bannon, Becker, Billard, D. C. Brown (teller), M. J. Brown, Crafter, Duncan, Eastick, Evans, Glazbrook, Goldsworthy, Hamilton, Hemmings, Hopgood, Keneally, Lewis, Mathwin, McRae, Olsen, O'Neill, Oswald, Payne, Peterson, Plunkett, Randall, Rodda, Schmidt, Slater, Tonkin, Trainer, Wilson, Wotton, and Wright.

Majority of 36 for the Noes.

Amendment thus negatived.

**Mr. BLACKER:** The Minister did agree to accept a further amendment, but that would have succeeded only if the Committee had agreed to the amendment moved by the member for Mitcham. I thought I should make that explanation because, had the opportunity been given—

*Mr. Millhouse interjecting:*

**Mr. BLACKER:** No, I am thinking more of getting something through the Committee than of association or alliance with any other honourable member. My explanation is necessary, because I believe that the amendment would have gained the support of the Committee. I intend to seek support in another place, and hopefully we will see the Bill back in this place in another form.

Clause passed.

Title passed.

Bill read a third time and passed.

## STATE BANK (RIVERLAND FRUIT PRODUCTS CO-OPERATIVE ASSISTANCE) BILL

**The Hon. D. O. TONKIN (Premier and Treasurer)** obtained leave and introduced a Bill for an Act to provide the financial assistance necessary to enable the Riverland Fruit Products Co-operative to continue in operation for the 1980-81 season; and for other purposes. Read a first time.

**The Hon. D. O. TONKIN:** I move:

*That this Bill be now read a second time.*

Riverland Fruit Products Co-operative Limited was placed in receivership by the State Bank on 12 September 1980. Messrs. John Pridham and John Murray of Deloitte, Haskins and Sells were appointed joint receivers and managers. The receivers and managers have now submitted a report in connection with their receivership. It shows, *inter alia,* that to operate the cannery for the 1980-81 season (that is, to 30 April 1981) involves a

projected cash loss of about $1 000 000. That projected cash loss takes into account:

*(a)* all costs associated with operating the co-operative during the period to 30 April 1981, including payments to growers in accordance with their contract for the supply of fruit valued at about $4 200 000;

*(b)* all the proceeds to be obtained for the sale of products to the Australian Canned Fruits Board and other parties;

*(c)* interest costs for the period on all borrowings by the co-operative.

That loss would diminish the security of the co-operative's creditors. Accordingly, the receivers and managers could not continue the operation of the cannery without some assurance that the loss will be recovered.

The purpose of this Bill is to guarantee the State Bank against operating losses in respect of the current season up to a maximum of $2 000 000. I might point out that current projections indicate a net cash loss of approximately $1 000 000. However, the higher maximum is set by the Bill in order to provide for any unforeseen contingencies. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

**Explanation of Clauses**

Clause 1 is formal. Clause 2 contains definitions required for the purposes of the new Act. The "current season" is defined as meaning the period from 12 September 1980, to 30 April 1981. Clause 3 provides that where audited accounts are produced and the Treasurer is satisfied that reasonable endeavours have been made to recover debts owed to the co-operative the Treasurer may pay an amount sufficient to cover the cash loss incurred in relation to operations during the current season. Subclause (2) places a limit of $2 000 000 upon the amount that may be paid out in pursuance of the new provision.

**Mr. McRAE** secured the adjournment of the debate.

## PRICES ACT AMENDMENT BILL (No. 4)

Adjourned debate on second reading.

(Continued from 2 December. Page 2457).

**The Hon. R. G. PAYNE (Mitchell):** The Opposition supports the Bill, which is not the one that we may well have been considering had certain events a few weeks ago continued on to fruitation. The Hon. Mr. Chatterton in another place introduced a private member's Bill very similar to the Bill that we are now considering in an attempt to provide for the unhappy situation that has occurred on occasions in relation to payment for grapes provided to a winemarker or a distiller of brandy in South Australia. Recently there has been a situation in respect of a winery, which I think is called Vindana, and many honourable members are aware of the circumstances surrounding that event.

We are called upon to approve, in the main, a proposal to amend section 22 of the principal Act. From my examination of the principal Act, on behalf of the Opposition, I believe that the amendments in the Bill will enable some improvement in the situation with respect to payments to growers. I cannot take the matter further than that. If one examines carefully the wording of the Bill, it can be seen that clause 3 inserts new subsection (7) will be inserted in section 22*a* of the principal Act, which states:

> Subject to this section, a winemaker or a distiller of brandy shall not accept delivery of any grapes under a contract referred to in subsection (4)—

referring to subsection (4) of the principal Act—

> or from a related purchaser who acquired the grapes under any such contract unless—

and this is the important part—

> all amounts that have previously fallen due for payment by the winemaker or distiller of brandy or any related purchaser under contracts of the kind referred to in subsection (4) have been paid in full.

I referred earlier to the situation that has occurred in the past, where a winemaker has not paid for grapes received over a period of time under contract, probably entered into in good faith by both the grower and the winemaker. Then, further quantities of grapes have been delivered at a time when the winery probably has not been sufficiently viable to make payments in respect to earlier deliveries. In some cases, payment has been made for a later delivery, almost by way of inducement to continue the contractual arrangement that existed between the grower and the winemaker.

When the Bill was discussed in another place, very sensible arguments were put forward by speakers there, some of whom have direct interests in the matter or have a considerable experience in either the growing field or (as I think applies to the Hon. Mr. Laidlaw) in relation to a winery.

The Bill has been introduced in its present form because of the initiative of the former Minister of Agriculture, who, on becoming aware of this problem, took the only steps open to him, as an Opposition member, and originated a private member's Bill. It would be fair to say that reasonable action was taken by the Government in this matter. Having seen the private member's Bill, the Government examined the position and also looked at the Bill. The Government said that, although the private member's Bill was not totally useless, while the Parliament was looking at the matter, the best endeavour should be made to try to provide some palliative to the situation, and to see if some improvement could be made. I believe that is the situation we have now reached.

I am sure that upon examination the clause to which I have referred would be seen by anyone as an attempt to bring about a better payment arrangement between the supplier and the receiver of the goods, in this case, grapes. I do not believe that in every case it will ensure that no more bad arrangements will occur and that every winery will now make payments exactly on time. If one reads the clause carefully, together with the other relevant provisions, one sees that a winemaking firm in the middle of all this goodwill and requirement could still elect to go broke, in simple terms, and the best efforts and wishes of all concerned would not achieve what we have set out to do.

However, I am not being critical of the Bill. I hasten to correct any wrong impression in that respect. I am trying simply to outline the limitations of trying to improve this situation. I believe that a reasonable attempt has been made in the Bill to improve the situation, and that certainly in future there will be a greater pressure on wineries (only those wineries that have given trouble in the past and there are many which have not) to be somewhat more circumspect and more businesslike in their arrangements with respect to the delivery of grapes for the making of wine.

I think the Hon. Mr. Laidlaw in another place stated the position in words not dissimilar to those which I have just used. He said that the Government hoped that better (and I am paraphrasing slightly) business practices would apply

in future in respect of this area. There is very much more I could say on the matter: one could labour on the fact that a Labor Government first set minimum prices for grapes, and so on. However, considering the lateness of the session, I will not enlarge upon that. I simply say, on behalf of the Opposition, that the examination I have made of the Bill enables me to say that the Opposition considers that the Bill will improve the situation and that it will achieve what has been stated in the second reading explanation. As such, the Opposition considers that it deserves the Opposition's support, which I now offer.

**The Hon. JENNIFER ADAMSON (Minister of Health):** I am pleased to have the simple, straightforward support of the Opposition for this Bill. Reference was made to the Bill introduced by the Hon. Mr. Chatterton in another place. I point out that that Bill contained loopholes, and was withdrawn. I endorse the remarks of the member for Mitchell that this Bill fosters early payment of debts by winemakers. Obviously, no Bill can require or force the aim we are trying to achieve, and there are inevitable limitations on the law in trying to achieve this. Certainly, the Bill should introduce better business practices and, as such, will be welcomed throughout South Australia.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Determination of minimum prices for grapes."

**The Hon. R. G. PAYNE:** The Minister, in replying, has not stung me but stirred me. I believe that, if she were asked to give a considered reply, it is very likely that she would agree that there is a fair possibility that there are a large number of loopholes in this legislation. My purpose is not to nit-pick. I agree with her that the Parliament which writes perfect legislation has never existed, and is still some distance in the future.

The original Bill introduced by my colleague in another place may well have had loopholes, but I remind the Committee that the principle (a protection for growers in this matter) originated with my colleague there, and that was my sole purpose in raising the matter. It does not harm the Government whatsoever to allow a modicum of credit where it belongs.

Clause passed.

Title passed.

Bill read a third time and passed.

## PRICES ACT AMENDMENT BILL (No. 5)

Adjourned debate on second reading.

(Continued from 2 December. Page 2457.)

**Mr. McRAE (Playford):** I indicate that the Opposition supports this measure. Two comments can be made about it. First, it is interesting to note that the Bill does not reflect but flies directly in the face of the stated philosophic position of the Government. This Government has said many times that it is opposed to price control legislation and, to use the words of its own Ministers, "The free forces of the market should apply." What has happened here is that section 21, which has been present in price control legislation since 1948, has been made much more flexible, and with that the Opposition fully agrees. We find it curious that we, or events, seem to have persuaded the Government to change its philosophic position. I presume that it is more likely the practicalities of the market place.

I was disturbed to find that, when the Bill was introduced in the other place and also when it was introduced here, the second reading explanation was misleading, not in what it says but in what it does not say. Clearly, an event caused the need for this legislation. That event was the Government's concern that, possibly, the action it took in relation to the reduction of the wholesale price of fuel to petrol resellers might be invalid. That was admitted by the Hon. Mr. Burdett, Minister of Consumer Affairs, in the other place. It was put to him by the Hon. Mr. Sumner that it must have been some practical episode that brought about this situation and, after some quibbling over the matter, he finally agreed that it was, indeed, a concern that another event, such as the fuel dispute, might arise, and the Government might not have a pricing mechanism suitable for the occasion. I believe that Parliament deserves considerably better than that.

I think, if the Government has a reason for introducing a measure, even though that measure might have a general effect and a specific effect, it should give both reasons. That is the very least that Parliament can expect. I find the Opposition stance on that reinforced by the fact that it was the second time within a couple of days that the Hon. Mr. Burdett had given a second reading explanation that was misleading, not in what the explanation said but in what it did not say. The other measure was a Licensing Act Amendment Bill, in which changes were being made ostensibly to protect the situation of a certain venture at Leigh Creek, whereas, after considerable cross-examination by my colleague the Hon. Mr. Sumner, it was ascertained that the real purpose of that legislation—

**The ACTING CHAIRMAN (Mr. Russack):** Order! I point out to the honourable member that he is speaking on another Bill altogether.

**Mr. McRAE:** I am linking my remarks. The Opposition supports the measure. I have two comments to make. First, there is a change of practical stance by the Government that flies in the face of its philosophic stance. Secondly, under the Westminster system, Parliament must be told of the realities of the situation. I will give another example, and sit down. There seems to be a practice developing, and this is one example. The other example was the Leigh Creek incident, where the real reason for the licensing amendment, as admitted by the Hon. Mr. Burdett, was to deal with the Victoria Square hotel. Nothing would have been lost or gained by anyone in both cases if the real reason had been stated. All I am concerned about is the practicalities of the Westminster system. If that system is to survive, and be paid other than lip service, it must be adhered to according to the spirit of the law and not just the letter of the law. I support the Bill.

**The Hon. JENNIFER ADAMSON (Minister of Health):** I am glad that the Opposition supports the Bill, but I take issue with the member for Playford when he says that this action flies in the face of the Government's philosophic approach to price control. True, the Government believes that the free forces of the market place should apply, but the Government's attitude in respect of that assertion is that they should not apply in an unrestrained fashion whereby those involved in the market place can be damaged. I am referring particularly to small businesses.

The honourable member would know that the reason why the Minister introduced this Bill was to protect the interests of small businesses. There must always be a balanced approach to a free enterprise philosophy, and the Government has that balanced approach. In endevouring to ensure that there is free enterprise, we also endeavour to ensure that there is fair enterprise. The whole reason why the Government has developed this approach is not so much that the free forces of the market shall apply and

that there shall be no control whatsoever but that there should be minimum intervention in prices. I stress the difference between no intervention whatsoever and letting the market place have unrestrained action. The difference between that and minimum intervention is not only to ensure free enterprise but als to ensure fair enterprise. There is an important distinction to be made there, and one which demands that I reject the member for Playford's assertion that this Bill flies in the face of the Government's philosophic attitudes: I believe that it is consistent with the Government's philosophic attitudes and consistent with our approach that there should be minimum intervention in prices.

The second point the honourable member for Playford made was that he alleged that the Minister had misled the House. Again, I reject that assertion. The Minister made it clear, in his second reading speech, that the need had arisen to permit the Prices Commissioner to make limited specific determinations confined to certain parts of the market. It is the intention of the Bill, and to assert that the Minister misled the House is, I believe—

**Mr. McRae:** I said it was misleading by omission.

**The Hon. JENNIFER ADAMSON:** It is true that the member for Playford referred to "misleading by omission" but, nevertheless, I believe that the Minister gave a full explanation of why the Bill was required, and that explanation still stands. It is necessary to permit the Prices Commissioner to make limited specific determinations simply because of a change in trading practices since this Bill was introduced. I certainly reject that assertion of misleading by omission.

Nevertheless, I am pleased that the Opposition supports the Bill. The Minister has conceded that it was the decrease in the price of wholesale petrol which raised the issue, but that is not to say that he misled the House by omitting specific mention of the decrease in the price of wholesale petrol. I believe that this Bill sets the situation right and ensures that there can be no doubt whatsoever about the power of the Prices Commissioner to limit maximum prices for either wholesale or retail goods.

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

## PAY-ROLL TAX ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 2 December. Page 2423.)

**Mr. BANNON (Leader of the Opposition):** In his famous eighteenth century dictionary, Dr. Jonson defined an excise as a hateful tax. I think that that definition of an excise well applies to the definition of pay-roll tax, the subject of the Bill which we are considering. It is a hateful tax, and particularly so at a time when employment opportunities are shrinking and when we have record levels of unemployment in this State and in Australia generally. Any tax which provides a positive incentive to an employer not to take on extra staff works against the economic cycle and against employment.

It is an unfortunate situation that the States, when they sought a growth of tax some years ago, were sold the proposition by the Commonwealth that pay-roll tax would fill that role admirably. That was a time of increasing prosperity, of generally incremental growth, and of increasing employment opportunities. It was a period when, if the unemployment rate went above the level of about 1 to 1.5 per cent, it was regarded as being a situation of economic recession. We can remember that, when the unemployment rate climbed up to around 2 per cent in 1961, such was the shock that that caused throughout our economy and on our society that a Government almost fell through that cause alone. Yet today, in South Australia we have an unemployment rate of well over 7 per cent, unprecedented rates of unemployment since the last war, and, as far as young persons are concerned, rates that are climbing up very close to those which existed in the great depression. It is a dismal situation, yet here we are considering a tax which, as I say, provides a penalty on those employers who wish to take on further workers.

Because of our revenue position, we are at the moment stuck with this tax. The most we can do, without totally wiping out the revenue that is so vital for State services and for employment in the public sector, is provide remissions in this tax to index it against wage and salary increases and to attempt in some way to alleviate the burden.

Our Party is strongly opposed to pay-roll tax. We believe it is an inequitable tax, but we recognise, and always did whether in Government or in Opposition, the difficulty of doing away with it, particularly at the State level. It may be recalled that in 1977, at the Federal level, one of the chief planks of our economic platform was the abolition of pay-roll tax. Unfortunately, that was not found to be acceptable by the people. At the State level, since being in Opposition, I have repeatedly called for a national conference to attempt to find some way of replacing pay-roll tax with a more equitable tax. In the course of the last 12 months I have written to the Premier, to the Prime Minister and to the Premiers in other States urging that, on a bipartisan national basis, the whole question of pay-roll tax be looked at. Unfortunately, there has been no major response. We are aware that the Commonwealth, and indeed the State, are looking at alternative revenue sources. The best we have heard so far are proposals along the lines of value added taxes or some kind of sales tax which are regressive in their application, inflationary in their effect, and a general dampener to the economy.

If we are to replace pay-roll tax with that sort of tax, we are simply exchanging two evils. Those proposals certainly do not, we believe, provide the way to substitute or replace this hateful tax. It is a difficult problem, but I take this opportunity to call once again for a national investigation, not on a governmental basis but on a basis that would involve the Opposition Parties, whatever their complexion, in each State, in a search for a way to ensure that the States have adequate revenue to make up for what they might lose by the total abolition of this tax, which hits at employment.

In the absence of that national effort and the ability to find a substitute tax, we must, as this Bill does, consider our situation and try to ensure that the least possible imposition is made by this tax, consonant with the needs of the State's revenue in any year. We certainly welcome the introduction of this measure, which is consistent with the stand which we take generally and which we took when in Government. However, I suggest that the measure falls short of the Government's claims in quite a drastic way. I refer in this context to the Premier's Budget speech of 28 August 1980 in which he stated that the Government proposed to increase the present exemption level for pay-roll tax with effect from 1 January 1981.

This Bill gives effect to that proposal, but in talking about what he intended to do, the Premier said that, as many people have been widely proposing, the Government would bring the exemption level into line with the level operating in Victoria and that it would be above the level operating in all other States with the exception of

Queensland. The reference to "many people widely proposing" refers not only to people in the community but also to me and the Opposition. It may be recalled that, following last year's Budget, the Opposition was quite critical of the pay-roll tax exemptions that were provided. Our policy in Government had been to bring those rates into line with Victorian rates, and, on reading the Premier's remarks of 28 August this year, one would assume that that, too, was the Government's intention.

That was not done last year, and on 12 October, very soon after I was elected Leader of the Opposition, I pointed out that the pay-roll tax burden in South Australia on small businesses was higher than that on similar businesses in Victoria, our principal industrial competitor. Until now, I have pointed out that the pay-roll tax schedules in the two States had been identical and had jointly been regarded as the lowest in Australia, but that claim could not be made any longer, because, under the new basic schedules, firms with an annual pay-roll of $100 000 would be paying 75 per cent more tax in South Australia than in Victoria. Even a firm with a $200 000 pay-roll would pay 3·3 per cent more a year than a similar business in Victoria.

The facts are that small businesses with pay-rolls in these areas provide the lifeblood of the South Australian economy. Pay-roll tax payers up to $250 000 a year account for one job in every five in the private sector, which is a very important sector of our economy. Yet, we lost that advantage in the first month of the Tonkin Government, a Government which professed its intention to ensure that taxes would remain low in South Australia and that we would remain competitive. Why this concentration on Victoria? The reason is that, over a period, Victoria has been the yardstick for the South Australian pay-roll tax structure, not only because Victoria has had the lowest pay-roll tax but also because Victoria is our closest and most direct competitor, particularly in this range of business in the manufacturing sector.

South Australia has other disadvantages, such as our distance from the key markets and the fact that transport costs must be added to costs that our competitors in Victoria incur. However, South Australia also has advantages, such as a stable industrial relations system and the fact that the general level of wages in this State is somewhat lower than the interstate level. Also, there are certain compensations in terms of the standard of living, and so on, that workers in this State enjoy. Nonetheless, we must ensure that at all times we do not get too far out of kilter with Victoria or we will find that our competitive advantage is severely eroded.

It is for sound, hard practical reasons that Victoria has been used as the yardstick, and it is for those reasons that the Premier, in his 28 August Budget speech, pointed out that many people had been widely proposing that our rates of pay-roll tax should stay in line with those of Victoria. The Premier announced his intention in that Budget to ensure that our rates were in line with Victorian rates and that adjustments would be made to give effect to this from 1 January 1981.

We support the Premier in that regard and applaud his intention. Therefore, it was somewhat surprising, on looking at this measure and the levels of exemption provided, to find that those levels do not accord with the Victorian scale of pay-roll tax, because on 28 August the Premier announced his intention to bring our pay-roll tax structure into line with the Victorian structure. Certain exemption levels were fixed in the Victorian Budget that was brought down on 17 September by the Victorian Treasurer. One would look to this Bill to see that it reflects those Victorian rates, in line with the Government's stated policy.

In fact, I believe that there was even stronger reason for the Bill to reflect those rates, because last year the Government, for whatever reason, failed to maintain that relationship with Victoria, and the chance to redress that occurred this year: the Premier stated that it was his intention to do so. The major questions posed by this Bill, which would not be controversial but for this single point, are why the Premier has not given effect to that promise and why has he not maintained the relationship with Victoria that has been maintained throughout most of the 1970's.

The differences are quite significant. Victoria provides a general exemption that will have effect from the same date as proposed in this Bill (that is, 1 January 1981) of $96 600, reducing by $2 for every $3 increase in pay-roll above that figure to a flat exemption of $37 800 for pay-rolls of $184 000 and above. If one compares those levels with the exemptions in South Australia, one finds that we are at a disadvantage and that our system does not accord with that of Victoria.

The maximum exemption is $96 600. In South Australia, it is proposed to be $84 000, the old Victorian rate. The minimum exemption in South Australia has been increased belatedly, 12 months later, to accord with the Victorian minimum of $37 800, which has not altered. Let us look at some examples of the effect on businesses in South Australia of our not falling into line with Victoria. Let us take a company with a $100 000 pay-roll. Under the system proposed in the Bill, with a pay-roll of $100 000, a maximum exemption of $84 800, reducing by $2 for every $3 of extra pay-roll, one finds an exemption reduction of $10 667. If one removes that from $84 000, the taxable income becomes $26 666, or a tax of $1 333. Pay-roll tax is reduced $1 000 as compared to the pesent South Australian system, where $2 333 would be paid.

In Victoria, under the system operating there, and using their exemption rates, tax paid is $283, which means that the South Australian firm with the same turnover as its equivalent in Victoria is $1 050 worse off. Putting it another way, a firm with a pay-roll of $100 000 will pay 271 per cent more pay-roll tax than would a similar Victorian company. That is anomalous; it is not in accordance with the Government's stated policy; and it should be corrected.

Let us take the case of a firm with a pay-roll of $125 000. It will pay 44 per cent more pay-roll tax in South Australia than will an equivalent firm in Victoria. If we go to $150 000, we find that the South Australian firm is paying 23.6 per cent more than is its equivalent in Victoria. On $150 000, that represent about $1 100, in round figures. Again, as one goes up the scale, one finds that, while the discrepancy becomes less, nonetheless it remains a discrepancy. Again, the Government's policy is not given effect by this Bill.

I have talked about why Victoria should be used as a yardstick and I think, in what I have said, that the Government would be in full accord. Certainly, it makes nonsense then of that policy to have the Bill presented in this form. We draw attention to the fact that the Liberal Party's economic development policy statement said that a Liberal Government would offer significant incentives for business. Obviously, a range of incentives is involved, and the Government has announced other incentives. However, less competitive pay-roll tax subsidies will further weaken the State's cost advantage which is so important to the viability of our export-oriented and import-competing manufacturing industries.

We have had already problems of erosion of that cost

advantage over the past 12 months. Electricity and water charges have risen substantially. What it reflects and what this measure reflects, is that the Government is preoccupied with the future resource-based projects in South Australia, down the track, no doubt projects which can provide benefits to this State, although just how tangible they will be and how many jobs they will create is a matter of debate. But, they are in the future; they are ahead.

The Government has so concentrated on that area that it has neglected our bread and butter manufacturing industries. I can only suggest that it is neglect, because one should have thought, as I say, that a proper consideration of this measure would have made quite sure that it gave effect to what the Government said was its policy, namely, to bring our pay-roll tax exemptions into line with those of Victoria, as they have been in recent years. The way is open, I believe, for the Government to look again at this measure. If it was not aware of these discrepancies, now that they have been drawn to its attention I hope that the Government is prepared to do something about correcting them.

I shall deal briefly with the other aspect of the Bill, which is the exemption from pay-roll tax of child care centres, which are recognised for funding purposes by the Commonwealth Government. In this respect, a major tribute should be paid to my colleague, the Deputy Leader of the Opposition, who had a case of anomaly in this area drawn to his attention and who on 17 September wrote at some considerable length to the Premier concerning it. In his letter, the Deputy Leader made a very strong case in support of the principle that pay-roll tax was affecting some of these child care centres, because they were not linked to bodies which were exempt under the Act as it stood. He made some quite compelling points concerning this situation and asked the Premier to consider looking at the case for exemption and providing some sort of amendment to the pay-roll tax legislation to deal with it.

The organisation that drew this matter to my Deputy's attention was the board of the Catholic Women's League of South Australia Incorporated Child Care Centre.On 14 October, the Premier responded to my Deputy's letter of 17 September, saying that the Government had been looking at the question of pay-roll tax payments by child care centres generally, and that he was pleased to say that Cabinet had recently given its approval to an amendment to the Act to provide an exemption from tax for all child care centres which meet the requirements for Commonwealth subsidies administered through the Childhood Services Council or directly through the Office of Child Care of the Department of Social Security. He said in the letter that a Bill to amend the Act was being drafted.

That was a prompt and much appreciated response by the Premier to that submission for correction of the anomaly. It has been greeted with great pleasure by those who are affected by it. For instance, the Catholic Women's League Child Care Centre wrote to my Deputy, after it had been informed of the approval given by the Premier and Cabinet to amend the Act, saying that they very much appreciated the decision made, and thanking my Deputy for his representations. They said that no doubt the Deputy Leader's representations had helped influence Cabinet to approve an amendment, and I hope that that is the case. The board's letter of 11 November went on as follows:

> We are concerned, however, that this legislation could be delayed, and would appreciate it if you would press for its urgent introduction. The monthly payment of pay-roll tax continues to be a burden on our centre and we do not relish having to wait indefinitely. We hope you will once again successfully intercede for us and await any indication you might have of when the Bill is likely to appear before Parliament.

The Bill is before us, it has a date of operation, and we wish to expedite its passage through the Parliament. I congratulate the Government on moving promptly to correct that anomaly, and with that part of the Bill we have no quarrel. I urge the Government to give effect to its policy, as stated by the Premier last year, and in particular this year in the Premier's Budget Speech, and ensure that the rates reflect those rates of our competitors in Victoria.

**Mr. OLSEN (Rocky River):** I should like to make one or two comments in relation to the Bill but, before doing so, I would like to comment on one or two of the remarks of the Leader of the Opposition. One point related to child care centres and, in an explanation to the House, the Leader referred to a letter by his Deputy written to the Government on 17 September.

I should hate the Opposition to take the credit for this Government initiative. However, I point out to the House that in about February or March this year I wrote to the Premier and Treasurer, drawing his attention to the situation that confronted the Catholic Women's League in this State. I received a response from the Premier and Treasurer, and also by way of the Minister of Community Welfare, indicating that at that early stage the Government had seen the anomaly and was looking at means by which to redress the wrong confronting child care centres, recognised by the Commonwealth, that were not receiving some sort of subsidy or exemption from pay-roll tax in South Australia. Therefore, I point out that Government members were quick to see the problem facing religious institutions such as the Catholic Women's League and moved quickly to redress that wrong.

It is appropriate that the Leader of the Opposition should congratulate the Government on this initiative and other initiatives in the pay-roll tax area. The Leader of the Opposition tended to hang in his criticism. He was rather floundering in his criticism, because, when one compares the record of this Government with that of the previous Government in the area of pay-roll tax, one sees that it is an exemplary record. In fact, the Tonkin Government can draw great credit from the initiatives that it has taken in relation to pay-roll tax exemption. The Government's record clearly indicates this Government's will to honour its election promises. This Bill is yet another step in honouring those promises. No wonder the Opposition was floundering for something on which to hang its argument and used Victoria as a basis for comparison.

**Mr. Bannon:** That was the basis that the Premier used.

**Mr. OLSEN:** Yes, surely, but the Leader seems to overlook that the Victorian Budget was brought down after the South Australian Budget and the speech made by the Premier to this House. When one takes that into account, it tends to open some severe, gaping holes in the arguments put forward by the Leader in his speech on this subject.

Business activity is the hub of well being, and inflation and excessive taxation has placed the viability of some sections in jeopardy; in fact, the Opposition acknowledged that fact. The business community would argue, forcibly indeed, that pay-roll tax was the single greatest disincentive to employment opportunities. The catchcry, "We are being taxed for the privilege of paying someone else a wage" has a note of awesome truth. However, what real options exist for Governments of today to alter that system, to unscramble that egg, so to speak?

If one looks at the history of pay-roll tax, one sees that it

was introduced in 1941 as a war measure at the rate of I think, some 2½ per cent. I understand that the scheme was part of a series of measures to raise money for the war effort, and it was intended to provide additional revenue for the payment of cash allowances for the benefit of children, etc.

At the Premiers' Conference in June 1971 it was decided to transfer the tax raising power to the States, and it was designed to alleviate the acute budgetary problems being experienced by the States at that time. As a proportion of total State taxation, pay-roll tax has risen from 28 per cent in 1972-1973 to almost 50 per cent in 1978-79, amounting to something like $151 000 000. Therefore, decision-making in this area is difficult because of the impact on other Budget items, and I am sure that all Parties would recognise that. Despite this, the Tonkin Government has provided incentive for youth employment by giving exemption to pay-roll tax, an initiative that does not create flow-on problems to other Budget areas, but rather, limits the growth factor of the tax itself.

The Government has removed the tax completely for decentralised manufacturing and processing industry, an important incentive for country areas, and one, I might add, which is particularly welcomed by small business enterprises in country areas that have been experiencing tight liquidity for some time. Additionally, the maximum exemption level, with the introduction of this Bill, has raised that exemption level, in accordance with the Government's election promises, from $66 000 to $84 000, as of 1 January 1981. The obvious benefit to small business enterprises by reducing or eliminating this tax burden is quite obvious.

In addition, the effect of youth exemption rebate is to reduce the pay-roll tax calculations by $12 000 for each additional employee. That is a very significant incentive towards the employment of young people, and a very big incentive to reduce the problems of small business men in creating job opportunities. The approximate saving to a business though concessions is approximately $950 in a wage of $7 000. When one considers that the small business community has the potential in Australia, as indeed it has in the United States, to employ something like 75 per cent of the work force, one can see the very significant contribution that the small business has to make in alleviating the unemployment problems in this country and its capacity to play a bigger role in the employment scene.

The Bill, as outlined by the Treasurer, proposes an increase of something like 16·6 per cent in the exemption levels to small businesses, usually those covered by the tapering scale scheme, which has been referred to. Liability will be reduced either to zero or by something like $1 000 per annum. The maximum general exemption level that has been proposed with the introduction of this measure gives South Australia an advantage over its trading partners interstate, and that is a very important factor for us to keep in mind. It is important for this Government and this State to ensure that the small business community has that climate in which to operate and which gives it that advantage over its interstate counterparts.

I, too, commend the Government for its initiative and action in removing the anomaly in relation to the provision of exemption for child care centres. Centres such as the Catholic Women's League, which was referred to earlier, and other such institutions provide very able service in the community. By removing this restriction and cost burden on them, it will, I hope, give these centres the capacity to maintain and expand their services, which is for the betterment of all citizens in this State. With pleasure, I support the Bill.

**Mr. O'NEILL (Florey):** In support of the Bill, I want to say something about child care centres. Although I certainly claim no credit, I must say that I was amazed when the existing situation was brought to my attention by the Deputy Leader, the Leader and the member who has just resumed his seat. The situation prevailing in the child care centres was brought to my attention by the Catholic Women's League Incorporated. I found that it applied to other centres also: child care centres were recipients of assistance under the Child Care Act, 1972. It amazed me when I found that the Commonwealth Government was paying grants of taxpayers' money, part of which was then being resumed by the States by way of pay-roll tax.

I make no criticism of the Government in this area, and I commend the member for Rocky River for his foresight. I do not know whether the matter was brought to his attention or whether he automatically realised that this situation existed. The matter was brought to my attention in August. On 18 August, as the Premier may recall, I wrote to him and I received an acknowledgement on 21 August.

I wrote again to the Premier on 19 September, and received a further reply on 26 September. On 13 November, I corresponded with the Premier again, and received a reply on 27 November. I am pleased that the Government has seen fit to act in this matter because, regardless of any other aspects of pay-roll tax (and I will not go into that, because I think that the old adage of self-praise is no recommendation is probably apt)—

**The Hon. D. O. TONKIN (Premier and Treasurer):** I move:

That the time for moving the adjournment of the House be extended beyond 10 p.m.

Motion carried.

**Mr. O'NEILL:** There are many facets of this Bill, and my Leader has on file amendments that I will support. Apparently, along with others, I approached the Premier in respect of child care centres, and I thank him very much for the action that he has indicated and I support that aspect of the Bill.

**The Hon. D. O. TONKIN (Premier and Treasurer):** I thank honourable members for the remarks that they have made about child care centres, which have concerned all of us for a considerable time. The matter was investigated thoroughly indeed, and it was only after a good deal of thought that we determined that, although there could be some anomalies working the other way, it was unlikely, and that people should be given the benefit of the doubt. I am grateful to the honourable member for the comments that he has made. I congratulate the member for Rocky River on the grasp of the subject that he has demonstrated tonight and for the remarks that he has made. The honourable member is obviously well aware of the responsibilities of Government and of the need to be careful when making necessary adjustments to revenue income for a Government.

It is, regrettably, only too easy for people who are not in Government to make very facile promises and suggestions, and to foreshadow facile amendments. I can recall similar occasions in the past. Only one point needs to be made, namely, that the Treasurer and the Government are very much in control of the revenue of the State. It is their judgment as to what tax cuts can be made.

At the time that the announcement was made in August, it was proposed to bring the level up to the same as that in Victoria. Although the Leader will not have been here long enough to realise it, for the past six or seven years, Victoria has always managed to stay one

small jump ahead of us. That is the proposition to which I can remember addressing myself, on more than one occasion, when I was in the Leader's seat. I know that the Leader must put on a show. At least he is not under pre-selection pressure in the next two or three days. We must be responsible. The question that the Leader has raised regarding the alternative to pay-roll tax has been ventilated many times and, thank goodness, is now being looked at most effectively by Treasury officers from all States and the Commonwealth.

**Mr. Bannon:** Some part of VAT?

**The Hon. D. O. TONKIN:** I do not know why the Leader persists in talking about that. That is up to him. I think he said that an alternative to pay-roll tax is being investigated by Treasury officers of all States and of the Commonwealth and, if anyone is to find an answer to the vexed probem of pay-roll tax I have no doubt that they are in the best position of anyone to be able to do just that. I commend the Bill to members.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Deductions from taxable wages."

**Mr. BANNON:** I move:

Clause 3, Page 2, line 8—leave out "seven thousand" and insert "eight thousand and fifty".

The remainder of my amendments are all contingent on one another.

**The ACTING CHAIRMAN (Mr. Russack):** Does the Leader intend to take the first amendment as a test case?

**Mr. BANNON:** Yes, Sir. This amendment simply seeks to give effect to the proposition which was advanced by the Government as its policy and which has much merit, namely, bringing into line the pay-roll tax exemption levels in the State Act with the current levels in Victoria to operate from 1 January 1981. I join with the Premier in his praise of the member for Rocky River, his profound grasp of taxation matters, and the need to maintain a proper balance between revenue and the way in which it is raised. I know that the member for Rocky River, as a small business man, is obviously concerned with the incidence of pay-roll tax and with ways and means of reducing it, just as the Opposition is.

If this proposal was a somewhat revolutionary change, and an irresponsible attack on revenue, the Premier would have every right to be severely critical of it, but it is not. It is simply an attempt to give effect to the policy to which the Premier apparently does not feel able to give effect. The Premier referred to the previous Government. I defer to the fact that he was in this Parliament before I was. Although I do not have the precise details in front of me, I think that in 1978 a subsequent adjustment made in Victoria in precisely this way resulted in that adjustment being given effect to in South Australia. Again, the member for Rocky River, who is so familiar with this area, would probably bear me out on that. The Premier is possibly reminding the member for Rocky River that that was the case. That subsequent adjustment was made.

**Mr. Olsen:** What was the adjustment and the net effect on revenue?

**Mr. BANNON:** It was to bring it into line with the Victorian rates.

**Mr. Olsen:** What was the dollar value of the adjustment and the net effect on Treasury?

**Mr. BANNON:** We are talking about the policy involved. The Premier said that the Victorian rates have been adjusted following the introduction of his Budget in August, and although this measure comes in after the Victorian rates have been changed, it would be consistent with past practice not to make that further adjustment. I am simply pointing out that, in the past, that further adjustment was made. That is the principle. It will have an effect on the revenue; we concede that. Obviously, it must have an effect on the revenue in terms of the exemptions given.

The central fact remains that, in this area of pay-roll tax, which all Parties agreed should be reduced to the absolute minimum possible, it cannot be abolished, because of its substantial contribution to State revenue, but it should be kept to the minimum possible. All Parties are agreed on that. We are agreed in terms of policy that those rates should be related to the rates in Victoria, because that is where our principal manufacturing competitors are. A simple proposition would simply be achieved by this amendment, and I urge support for it.

**The Hon. D. O. TONKIN:** In his most recent remarks, the Leader has said that pay-roll tax must be kept to the minimum possible. This is the minimum possible. I cannot accept his amendment.

**Mr. BLACKER:** I support the amendment. When I first saw the amendment on file, I was a little concerned that it might be breaching a practice of the House in that it was interfering with monetary matters of the Government. I have been advised that an amendment of this kind is quite in order, because it is, in fact, reducing taxation rather than increasing it, by virtue of extending the exemption for small businesses.

The basic reason why I support the amendment is that it provides a greater allowance for small businesses and, as has been said, small businesses are the lifeblood of our State. More importantly, it brings some parallel into the degree to which this form of tax applied when it was first introduced. If my memory serves me correctly, it was first introduced at a figure of about $19 000, or the equivalent in pounds, shillings and pence. At that time it referred to approximately nine or 10 employees and, if we use the parallel of the number of employees who could be employed before the pay-roll tax became applicable, we would then be looking at a figure much higher than that proposed by the present Government. As the amendment does bring some parallel to the State of Victoria (and I can accept that where we have States across the border any tax has a stepping stone effect where it would be impossible to keep an exact equivalent between States) I think any concession that can be given by way of tax relief to small businesses must be to the ultimate benefit of our community.

The Committee divided on the amendment:

Ayes (18)—Messrs. Abbott, Bannon (teller), Blacker, M. J. Brown, Crafter, Duncan, Hamilton, Hemmings, Hopgood, Keneally, McRae, O'Neill, Payne, Peterson, Plunkett, Slater, Trainer, and Wright.

Noes (19)—Mrs. Adamson, Messrs. Allison, P. B. Arnold, Ashenden, Becker, Billard, D. C. Brown, Eastick, Evans, Glazbrook, Goldsworthy, Mathwin, Olsen, Oswald, Rodda, Russack, Schmidt, Tonkin (teller), and Wilson.

Pairs—Ayes—Messrs. L. M. F. Arnold, Corcoran, Langley, and Whitten. Noes—Messrs. Chapman, Lewis, Randall, and Wotton.

Majority of 1 for the Noes.

Amendment thus negatived; clause passed.

Clause 4—"Exemption from pay-roll tax."

**Mr. BLACKER:** I seek information from the Premier and perhaps a further explanation of clause 4 (b) (iii) in reference to public hospitals. I take that to mean private hospitals as opposed to Government-owned hospitals and, more importantly, is not the present situation that Government hospitals account for pay-roll tax in their

accounting?

**The Hon. D. O. TONKIN:** I am advised that public hospitals are in fact exempt at the present time.

Clause passed.

Remaining clauses (5 to 8) and title passed.

Bill read a third time and passed.

## STAMP DUTIES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 6 November. Page 1869.)

**Mr. BANNON (Leader of the Opposition):** This is an extraordinarily complex measure which is made much more complex by the fact that the Bill, on which this second reading debate must take place, really deals only in part with the measure that will probably emerge from this Chamber.

Four pages of amendments have been tabled by the Premier and will be moved in the Committee stage. We cannot canvass amendments at this stage, but I indicate that those amendments are very far reaching and profoundly alter the Bill. Debate on this measure is extremely difficult, because the second reading explanation and the Bill do not reflect the Government's final intention. I should have thought the best thing would be for the Bill to be withdrawn and resubmitted in a fully consolidated form. It seems extraordinary that the measure that was settled by the Parliamentary Counsel and dated 4 November 1980, the second reading explanation being dated 6 November 1980, is subjected to four pages of amendments from the Government; this indicates that the measure as first introduced was totally unsatisfactory.

Therefore, I propose that, in view of the complexity of this matter and the apparent major problems in drafting and settling the final form of the Bill, it be withdrawn and referred to an expert committee to consider in depth, reconsidered, and another measure presented to the Parliament next Feburary. I make this proposition in all seriousness. I am aware of the problem of avoidance of stamp duty: this matter was canvassed extensively by me and the member for Norwood during the Estimates Committees proceedings, and it is obviously not a situation that the Government can afford to let drift on indefinitely, because while it drifts on it is a cost to revenue. Neither the Labor Party nor the Parliament is keen to let that happen.

It is an outrageous situation that the Bill is before us and that the Government has said, "You have it before you, get it passed; there is no point in looking at it further. You know you are only delaying the measure and encouraging avoidance of stamp duty". That can be avoided in two ways. First, it can be done by ensuring that application of the final measure will be made retrospective from the time that notice was given to people involved in making these transactions that they would be subject to duty. In other words, clear notice has been given by the Government that these schemes are to be outlawed and, following the principles adopted universally in Legislatures, notably by the Federal Parliament, once notice has been given that an avoidance scheme is to be outlawed, that is the *caveat emptor*, the warning to people in the field that they should not attempt to use these schemes and devices to avoid duty. The Bill, when finally passed, could operate from the date of operation stated in this measure. I notice that a provision in this Bill will operate from 16 September 1980, before the Bill was introduced or even thought of, so there is a precendent within the Bill for considerable retrospectivity.

I suggest that the Premier preserves that retrospectivity and serves notice on those seeking to avoid stamp duty under these various schemes; the Bill could then be considered adequately and properly so that we have a firm and positive measure before us. It is very difficult to attempt to address oneself to the Bill as it is, because of the substantial differences that will be made to the Bill by the amendments. It could be argued that those amendments merely clarify the provisions of the Bill, but I suggest they go further than that. However, we are not able to canvass the amendments at this stage. The Bill before us is not the document that we are asked to consider.

I also indicate that there are defects in the Bill. This is an area of extreme complexity and technicality, but already we are given to understand, by experts in the field, that the schemes of avoidance that this Bill purports to block will be replaced by other schemes that will get around the provisions of this Bill. That is a fairly alarming situation and one that adds weight to my proposition that the whole matter should be considered by an expert committee. If the Premier finds that proposition totally unacceptable (and I would be surprised if he did), or if he cannot see his way clear to implementing that proposal, he has another recourse—he could establish a Select Committee of this Parliament to investigate the matter. This would keep the Bill alive and serve notice on people that avoidance schemes will be outlawed from a particular date, and it would also ensure that this Parliament is confronted with a properly settled measure. It is quite scandalous that we have to try to deal with this half-baked measure, knowing that a mass of amendments will substantially alter it.

I refer now to some of the problems in the Bill and I know that the member for Norwood, who has studied these matters, will raise further points. It is quite apparent that some of the definitions are not adequate; this is partly evidenced by the amendments that have been tabled. Clause 6 refers to duty on certain copies, but we have already been advised that, despite the way in which this clause is drawn up, there are ways to avoid the tax, and quite successfully, but I will not go into technicalities, because I may signal to those involved in this area precisely how they could go about avoiding the tax. Nonetheless, schemes have already been devised to overcome those objections.

Clause 6 also relates to unstamped documents and the amount of unpaid duty. It would appear that, while it provides an increased levy on persons seeking to avoid their obligations, it does not go far enough, and we suggest that some action should be taken to attempt to cover that area. The provisions covering unit trust schemes in this Bill are totally inadequate and seem to fail to achieve the purpose that the Government evinced in the second reading explanation. The amendments (which I cannot canvass) partly seek to correct that situation, but, nonetheless, there are major gaps of definition and application in this clause.

One could argue that the Bill not only in one respect will not sufficiently block certain schemes of arrangements and avoidance schemes but in another respect opens the effect of this far wider than is intended by making liable for duties certain funds and transactions that I would have thought would not be in contemplation by the Government. For instance, what is the situation in regard to superannuation funds, mixed charitable and religious organisations, and the trustees of property of certain clubs who, depending on the way in which the trust deeds are drawn, may be attracting duty? I am sure that it is not in

the contemplation of these small organisations or associations that that will be the case. Allotment of shares can attract full *ad valorem* duty. Are small estates liable to be taxed in a way that is not within the contemplation of the broad aims of the Bill, and so on?

A number of complex questions raised by this measure are not satisfactorily answered in the second reading explanation and do not seem to be covered in the way in which the Bill is drafted. This may be a minor point, but one must remember that measures such as this are gone through with a very fine tooth comb indeed by the best legal tax avoidance brains, so that every "i" must be dotted and every "t" crossed to ensure that the precise meaning is reflected. Looking at page 4 of the Bill, clause 9 *(f)*, one sees the following definition:

> "interest" in relation to land includes a potential beneficial interest as defined in section 71 (9).

That appears to be drawn far too widely. On the face of it, the section refers to an interest in land but, reading the definition, it extends beyond that in terms of a potential beneficial interest to not just the land but also to all other forms of property.

At page 5 of the Bill, paragraph *(g)* refers to an exemption being provided for transfers of a prescribed class. That, of course, is a let-out provision. Some of the problem areas I mentioned earlier may well be covered by regulations which can prescribe them in terms of that paragraph. If that is so, I think it should be spelled out. There is considerable vagueness in this area, and no intention is evinced in the second reading explanation of the Government. No doubt the Premier can answer that point when he replies in relation to clause 10 and the amendment to section 71 (4) *(g)*. In new section 71 (5), at page 5, one sees the following provision:

> A conveyance operating as a voluntary disposition *inter vivos* that transfers a potential beneficial interest in or in relation to property subject to a discretionary trust shall, subject to this Act, be chargeable with duty as if it transferred the beneficial interest in the property that the transferor would have if the discretion under the discretionary trust were so exercised as to confer upon him the greatest benefit in relation to that property that can be conferred upon him under the discretionary trust.

What do the words "greatest benefit" mean? It has been suggested that there is a possible area of abuse, and perhaps the Premier can clarify, in fairly precise terms, the impact of that provision and whether proper consideration has been given to the abuse hingeing on the use of the words "greatest benefit". I would be interested in his response.

A number of other provisions in this complex legislation could be dealt with, but I refer particularly to clause 12, which provides special concessional duties to encourage mineral or petroleum exploration activity. The provisions are to be made retrospective to conveyances lodged with the Commissioner for stamping on or after 16 September 1980. In his second reading explanation, the Premier explained this as arising out of undertakings given by the previous Government and subsequently confirmed by this Government that the assignment to B.P. of a portion of the Western Mining Corporation's interest in certain exploration licences in respect of the Stuart Shelf would be exempt from stamp duty or subject to nominal duty only. He went on to say:

> The amendment is designed to provide a standing stamp duty concession for every case under which the holder of an exploration tenement assigns its interest enabling another body to carry on the exploration work or assigns portion of its interest in order to obtain additional risk money for the next phase of exploration or investigation.

The intent of the provision is clear. Little detail is given of the undertaking, but one must accept what the Premier says about it, and presumably the document was lodged on or after 16 September, hence the retrospective application of it. Whatever the undertaking given in terms of future exploration, it would seem that that provision is drawn very widely indeed, because it does not really demand performance on the part of those exploration companies, and it does not provide, as I think would be proper, for some sort of recompense or payment of duty where those exploration activities are successful.

In other words, while the object of the provision to encourage petroleum exploration activity is a desirable one, it could be achieved, I believe, in a far more equitable way by providing that the duty would apply but need not be payable except in certain circumstances, and those circumstances relate to the successful finding and proving of certain resources. If that did not occur, the duty could be waived or cancelled. At least it would get over the immediate problem. It would encourage exploration activity, because the company would know that it could go in and not expect to have this duty levied, but, if it was able to be commercially successful in those areas, the conveyances would be subject to duty. That would be only fair and equitable in terms of the community generally. I think that provision should be re-examined by the Government, because it is far too open ended, and I do not think it is of benefit to the community in South Australia.

As I have said, this is extremely complex legislation. I have referred to our great difficulty in dealing with it because of the sloppy way in which it has been presented to the Parliament and the massive amendments which we cannot canvass at this stage. I conclude by hoping that the Premier will be able to respond to the points raised by me and those to be raised by my colleagues, and that he will address himself also to the question of how this legislation can best be handled by the Parliament.

**Mr. McRAE (Playford):** I support the remarks of the Leader of the Opposition. Obviously, this is an intensely difficult and complex area. To give an example, I quote one part of the phraseology that Parliament is trying to deal with. A family group now means:

> A group of persons connected by an unbroken series of relationships of consanguinity or affinity.

I think we can all follow "an unbroken series of relationships of consanguinity", but when one considers "an unbroken series of relationships of affinity", it becomes somewhat difficult. Precisely what does "affinity" mean, if anything, in the context of a family group and, what is more, an unbroken series of relationships of affinity? As I understand it, the normal legal context of affinity is in itself a relationship. Really, we have a circular definition.

Perhaps I will come to the terminology later, but for the moment I will deal with the basic principle. First, in the context that the Bill seeks to prevent tax avoidance, the Opposition clearly supports that; there is no doubt about that. My colleague the member for Norwood, the Opposition expert on this matter, will be explaining in more detail later an unfair situation which has been created in the community.

**The Hon. D. O. Tonkin:** Don't sell yourself short. You can manage.

**Mr. McRAE:** I can manage very well for the next few minutes, as the Government will find. First, I want to point out the practical situation, getting away from the legal complexities of all this. The reality is that the ordinary wage earner, the middle wage earner, or even

what I might call the top middle wage earner, is the person who meets his income tax requirements and his other State tax requirements. The realities of the matter are such that, unless transactions of more than tens of thousands of dollars, but in the area of $200 000 are involved, there is simply no point.

There is no financial gain for a person under that level seeking legal advice to avoid, in this case, stamp duties. The reality (and we all know it) is that the normal young couple purchasing their home will be required, by the intertwining network of Government loans and bank loans and all the rest of it, to meet the stamp duty requirements. In any event, they could not register their documents at the Lands Titles Office unless due stamping and tax payments had been met. We all know that.

The evil is that those people who can least afford to pay the taxes are those who are paying the taxes, and those who can most afford to pay the tax and who should be paying them are not doing so. So, those who have transactions that involve hundreds of thousands of dollars, and perhaps even more, are by a variety of schemes in a position to engage solicitors or legal counsel, or both, to prepare schemes for payment.

That is something that the Opposition cannot and will not tolerate. In that sense, there is no difference between us and the Government. However, the first difficulty which confronted the Government and from which the member for Norwood may be able to extricate it, if the Government is prepared to give him a fair hearing, is that, by casting the original net in the Bill so widely, they produced a situation that was quite to the other extreme.

As I explained, prior to the introduction of this Bill, the situation was such that those in the middle income level were meeting their taxes as usual, and those on the very top level were not meeting their taxes, again as usual. On the introduction of this Bill, couched as it was in such very wide terms, the situation was such that, because the Bill was aimed at transactions, pieces of paper of all kinds (such as receipts and contracts and other types of pieces of paper—just pieces of paper evidencing transactions) suddenly became dutiable.

One does not have to be an Einstein to work out that the sort of transactions that were envisaged could cover just about any contractual situation in which someone somehow achieved a benefit that was in the purview of the Act. The situation could easily arise that a person who was making a payment for a long-term benefit (let us say an insurance premium or something of that nature) and who received a receipt for his money would then become liable to pay tax. Yet, I am sure that it is not in the history of the legislation, nor was it ever the Government's intention, that that should be the case.

I think that the Commissioner for State Taxation is present tonight, and in the Committee stages I know that my colleague, the member for Norwood, and I will be asking various questions of the Premier because the Opposition considers that this is an important measure; and we want to be constructive in our approach to the whole thing. I hope that I did not hear the Premier chuckle.

**Mr. Keneally:** You did, he laughed.

**Mr. McRAE:** I was surprised; I thought I heard the Premier chuckle. I am very sorry if that is the case, because I am endeavouring to be very constructive in my approach to this. In case the Premier has not been listening, I have already pointed out that the total scheme (I know I am not allowed to refer to the amendments, Sir, but this matter is so complex that I hope you will allow me some leeway) is so complex and is such that it looks at transactions. Does the Premier disagree with that?

**The Hon. D. O. Tonkin:** I do not know what on earth you were going on about before; that is all. Don't let me interrupt you.

**Mr. McRAE:** I do not mind being interrupted if I can make the point clear. I hope the Premier will ask the Commissioner for State Taxation about this, and, if I am wrong, I will be the first to withdraw. The whole of the measure, as I understand it (and it is certainly difficult), is that one looks at the transaction that underlies the document. In other words, to determine whether in this case a stamp tax is payable, you are trying to get at the transaction that produced the document.

The example that I gave (and I would be obliged if the Premier would seek advice on this) was that of a person who under a superannuation scheme was paying a premium and received a receipt. Obviously, this is an inter-parties transaction, and one has simply a piece of paper, a receipt, which evidences that transaction. Hence, that piece of paper is dutiable.

*The Hon. D. O. Tonkin interjecting:*

**Mr. McRAE:** Is the Premier referring to the original Bill? If it is agreed that it is the transaction that is being looked at (and I gather that it is) then, of course, as the Premier rightly says, one could prepare a long list of exceptions from the transactions and, exclude superannuation, this, that or the other. However, the problem as I see it is that, if it is the transaction that one is trying to get at, one will need to have a most exhaustive list of exemptions from the transaction concept.

**The Hon. D. O. Tonkin:** Can you think of a way of getting over that?

**Mr. McRAE:** Yes. My colleague, the member for Norwood, will be dealing with that at some length, and I do not want to intrude on his ground at the moment. He has a totally different scheme. It appears from my reading of this Bill that the transaction is being looked at, because one cannot stamp a transaction.

I will give an example and we shall see whether the Commissioner agrees with this. If a person goes to a racecourse and invests some money, that is, as I understand it, a transaction within the purview of the Act. What becomes taxable is the document that evidences that transaction. Would the Premier agree that that is right?

**The Hon. D. O. Tonkin:** It is all covered by something that you cannot talk about, but I am sure that you could if you put your mind to it.

**Mr. McRAE:** I am not so sure that it is covered by what we cannot talk about.

**The Hon. D. O. Tonkin:** Try a hypothetical situation, and see how you go. You are very good at hypothetical situations.

**Mr. McRAE:** They are not hypothetical cases. The first example I gave is good. If one is looking at the transaction, it involves the payment of the insurance premium, and the piece of paper that is taxable is a receipt; that is a clear example and not hypothetical. The next example was one's going to a racecourse and investing a sum of money, when a card is issued by the bookmaker. That is a transaction, and it then becomes taxable within the purview of the Act. I should have thought that that is perfectly straight-forward. The whole system has broken down because the Government cast its net so wide in an attempt to stop these schemes of tax avoidance; it was then forced to introduce the document that we are unable to talk about in detail, and this has led to the Opposition's further confusion. In Committee, we will have to try to match all these proposed amendments, about which I will not speak.

**The DEPUTY SPEAKER:** The Chair is most lenient.

**The Hon. D. O. Tonkin:** The Government wishes to co-operate, too, in every possible way.

**Mr. McRAE:** I think that the best way is to deal with those things in Committee. We still have not finished with many of these concepts in the principal Bill. For instance, the discretionary trust is at present the prime example of the way in which the commercial lawyer goes about the tax avoidance scheme, combined with the foreign company concept. I am sure that the Commissioner for State Taxation would agree with it, because that must come before his notice all the time. I am sure that the Premier will agree with me that the discretionary trust must be, in his own philosophy, a transaction within the meaning of the Act. That is one fundamental that I do not think he could possibly deny. If the Premier agrees that that is right, it becomes crucial to understand what the Government has attempted by its discretionary trust measures, how it originally failed, and how it has still not succeeded, but has created a whole series of loopholes by the second part of the Bill, to which I will not refer in detail now.

I ask the Premier to ask his legal adviser, the Commissioner for State Taxation, about this matter. I believe that, because of the way in which the definition of "discretionary trust" exists in the principal Bill at present, there are gaping loopholes that have not been picked up by the other Bills, to which I am not allowed to refer. I refer particularly to page 6, paragraph (9), where we have two concepts, one of the "discretionary trust", and one of the "potential beneficial interest", as follows:

> "discretionary trust" means an arrangement however made under which a person holds property and the beneficial interest in all or any part of that property may be vested in a person (in this section referred to as an "object") upon the exercise of a discretion by the person holding the property or another person or both, whether subject to any other contingency or not and whether the exercise of the discretion is obligatory or optional:
>
> "potential beneficial interest" means the rights, expectancies or possibilities of an object of a discretionary trust in or in relation to property subject to the discretionary trust:

I cannot see that the definitions or anything that has been done later in the whole exercise will overcome any of the Government's problems. I follow the example of my Leader in this matter, and do not intend to signal anything to anyone. Because of the way in which those definitions are couched, it is easy, by extra-territorial contracts and trusts, to avoid those two basic concepts. I hope that the Premier will take advice on that matter, because that is very strongly put. The Premier apparently does not agree.

**The Hon. D. O. TONKIN:** I rise a point of order, I am doing my best to listen and seek advice from my advisers that the member for Playford asks me to do time after time. Every time that I turn my back and turn around again he imputes some remark or attitude to me. I really take offence at it.

**The DEPUTY SPEAKER:** Order! I cannot uphold the point of order. I suggest that the honourable member for Playford be a little more careful in the manner in which he couches his criticism.

**Mr. McRAE:** I will heed your remarks, Sir, and I am sorry if I was a little touchy on that area. The other area on which I ask for the same sort of reply is the use of companies in an extra-territorial fashion to overcome the chief objects both of the Bill and the documents that follow. I will not signal any punches, but I know that the Premier's chief adviser in this matter would know what I am talking about. I see both these things as being critical in the whole exercise.

If the proposal that the member for Norwood is about to advance cannot be accepted, I hope that in some way the Parties, which share the same intention, could perhaps by the establishment of an authority investigate the whole area. By that, I do not mean the setting up a permanent authority, but rather a committee of investigation or an inquiry at the highest level, or through a Select Committee, if that was considered desirable, or by any other means attempt to reinvestigate the whole area.

The Opposition is, to a certain extent, hamstrung, and we do not want to set out in the Parliament examples that would encourage people to get further around the amended law. We think that we could play an important role in discussions with the Government and in making constructive proposals to try to flush out some of these people who are avoiding their duties in a substantial way indeed. I will reserve a number of questions for the Committee debate. I support the objects of the Bill, but I am sorry that it does not appear to have carried out its intentions.

**Mr. CRAFTER (Norwood):** I thank my colleagues for the great confidence they have shown in my ability to comment on these amendments. I assure the House that I am no expert in these areas. If I were, I dare say that I would not be in my current profession. I would probably be out buying the Elizabeth Shopping Centre or some other major development site, because it is one of the most lucrative of areas in the legal profession. The tax avoidance business is the fastest growth industry in Australia, and these amendments seek to close up some of the loopholes that have been explored and exploited over recent years in this State and deprived the revenue of the State of, no doubt, many millions of dollars. The disappointment expressed by my Leader and the member for Playford is that the measures before us will not really improve the situation very much at all. They have been handled in such a way as to be the least effective method of which one could possibly think in trying to block up loopholes.

I will refer generally to the Opposition's concern for taxation measures of this nature. As has been mentioned, we can refer to more detailed matters in the Committee stage when the amendments will be moved. This is the first major measure in regard to taxation avoidance that this Government has introduced, and it was introduced on 6 November. Because it was to be effective from that day, one should have thought it would be dealt with as swiftly as possible. However, as my Leader said, the amendments laid around for a considerable time, and a few days ago we noticed that a substantial number of amendments were added. In fact, this has been reported to me as causing a great deal of confusion and doubt in commercial life and the legal profession in this State. People have been holding back their transactions, trying to assess what will happen in Parliament.

There is considerable doubt as to the effect of section 16 of the Act, which provides that duty shall be paid at the day on which the transaction is lodged for stamping. We know that this measure is retrospective to 6 November, but section 16 indicates that the amount of duty payable is the amount payable under the old law, as it will be in the next few days. What are the powers of the Commissioner in relation to the payment of duty? Will he pursue for extra duty those persons who have stamped their documents and paid their duty in recent weeks, or will he apply the old law? What does this mean in regard to the doctrine of retrospectivity? This matter is of concern and the precedent that it sets may have wide repercussions.

It is interesting to note that in the Federal sphere a great degree of secrecy surrounds measures that are brought to

Parliament in regard to tax avoidance. A substantial measure is currently being debated by the Federal Parliament that will bring down heavy penalties for tax avoidance. A great deal of secrecy surrounds measures of that nature before they are introduced. I understand that that situation does not pertain in this State and, in fact, the likely changes to the law are often the subject of common discussion in legal circles and among those who gather at the Stamp Duties Office to lodge documents. I suppose that Adelaide is a small city and news travels somewhat fast. However, it is disturbing when one hears about schemes that are being dreamt up prior to the introduction of measures in this House.

This matter must be of great concern to all people who believe that the laws of this Parliament should be brought in as effectively as possible. There can be no favourtism in this matter. The example of the Federal Government is worthy of consideration by all State Parliaments.

The Leader referred to clause 12 and the exemptions that it provides for mining and exploration companies, and the concern that the Opposition has in regard to the Government's providing some incentives and subsidies for these companies in the way that is envisaged by the Bill. I understand that this is not the practice in other Australian States, where, generally, interest-free loans are made, and, when the mining venture returns profits, the State is repaid. This seems to be a more appropriate and fairer use of State revenue than giving an outright exemption as proposed in this measure. I would be interested to hear the Treasurer's comments about why South Australia should be more generous at the expense of the taxpayers than are other States.

The danger in regard to States getting out of step with each other in taxation measures is that there will be attempts, particularly through the use of branch registers, to transfer work to other States and Territories. Although this is a thriving industry at present, because one State can take advantage of the different laws that apply in other States and the anomalies in the laws of other States, this State is now tightening up some areas, and we can expect there to be another outflow of dutiable transactions to other States.

It would seem an important lesson is to be learnt in trying to achieve some degree of uniformity amongst the States in this area. There have been substantial amendments to the stamp duties legislation in Western Australia and Queensland in recent years, and it would seem that South Australia now has an opportunity to do likewise. However, the Government has seen fit not to do that but to bring in this rather incredible hotch-potch of amendments, right at the end of the session. As I said, in the Federal Parliament, these matters are brought in secretly and there is no discussion between the Government and the legal profession, the Taxation Institute or other interested bodies prior to the introduction of the Bill into Parliament. However, these measures are left on the table for some time and public discussion follows: amendments, if deemed to be in the public interest, are then carried later. This consultation process is carried out after the Bill has been introduced into Parliament, and it would seem that this healthy process, which should be encouraged in South Australia, does not occur here.

The Opposition believes that the only alternative is some sort of inquiry, but I do not suggest that a Select Committee would assist a great deal in reviewing and updating the Stamp Duties Act. I believe that some expertise is available in Australia to an expert committee, and the Parliament has a function in that committee. Very little will be obtained for this State's coffers by the measure that is now before us. A comprehensive inquiry is required. I am not sure that the advice that the Government can receive from the Stamp Duties Office or the Crown Law Department is sufficiently broad or based on sufficient knowledge to properly advise the Government on current commercial practices and activities.

The narrow area in which the Stamp Duties Office operates pursuant to this Act and the activities of the Crown Law Department do not provide this body of expertise. It is quite obvious that this expertise is not available within the Parliament and, therefore, we must call on wider expertise that is available, perhaps in the legal profession, the Judiciary, or in commercial life, and we must use it to obtain proper taxation laws in this State.

We are living in a climate where there are fewer and fewer avenues of taxation available to the States. Whilst we have double taxation looming over our shoulder, we should be pursuing more zealously the avenues in the legislation that are clearly within the province of the State's powers. I do not believe that that is being done seriously at this time. We find in this State that there is not any real obligation on persons and companies to lodge their instruments for the payment of stamp duties, and indeed it is common knowledge and common practice that documents are not lodged and, consequently, duties are not paid. That concerns the Opposition very much.

There have been attempts in Western Australia recently and also in Queensland to try to establish an absolute obligation on persons to lodge documents for the assessment of duty, and we find here that only those documents which are known to be the subject of some court dispute or are of such a nature (for example, mortgages) and which are required to be stamped by the banks involved, or other such documents, come across the counter of the Stamp Duties Office. An enormous number of documents never go there, and the risk taken by the parties in not having documents stamped is a bearable risk.

Whilst these amendments try to increase the penalties for such, they are still not of the proportions that will bring about substantial change. Further, they still do not provide any absolute obligation on the parties to ensure that documents are stamped. That will be a matter we will be attending to in Committee. In recent years there has been much disquiet in the community in relation to decisions of the High Court in its interpretation of section 260 of the Income Tax Act. One would feel that section 70 of the principal Act is now no more than a paper tiger if the interpretations of the judges of the High Court are to be applied to that section, yet we find that it is excluded from the amendments before us. I would have thought that this was an opportunity for the Government to tighten up section 70 and have an all-embracing section in this Act to try to overcome the problems of tax avoidance.

In 1979, the Western Australian Government brought in amendments to try to tighten up its equivalent of the section 260 provision. It is disappointing that the Government has not seen fit to try to tackle that problem. If it were serious about tax avoidance, surely that is one of the first things it would have done. As the member for Playford said, this is a very technical area of the law, and there are matters that the Opposition would like to raise in Committee. I voice the Opposition's disappointment at the way in which this matter has come to the House and its real lack of content to address itself to the real problem of tax avoidance, which is so rife in this State at the moment.

I referred to this matter in the Estimates Committees, and the Premier there, some months ago, indicated his concern and said that he was considering retrospective legislation to overcome the problems of tax avoidance, but

months have gone by since then and we have this quite ineffective measure before us. The second group of amendments has very much diminished the breadth and scope of the original amendments, but this is a matter which we can discuss in Committee. It gives support to my earlier comments that the way in which the public and those interested parties have been involved in this matter leaves much to be desired.

**The Hon. D. O. TONKIN (Premier and Treasurer):** I thank members opposite, but I am extremely surprised at the way in which they have attacked this Bill. It is absolutely remarkable to me that three members of the legal Profession—

**Mr. Bannon:** I am not a member of the profession.

**The Hon. D. O. TONKIN:** I take it all back. It is remarkable that three legally qualified gentlemen should be able to look at this Bill and find so many difficulties in it. I am also not impressed at all by the accusations that the Bill has been sloppily drafted and that it is wrong in some way to send it out to the experts in the field, because that is what has been done. I totally refute the most recent remarks of the member for Norwood. Obviously, he has not done his homework. He referred to sending it out to the experts in the field and getting expert advice. Let me deal with that at the outset.

I would have thought that even the Leader of the Opposition would understand why the Bill was introduced in this way. It attacks tax avoidance, and it is a matter which must be introduced and of which notice must be given. The present Government at least is not interested in retrospective legislation. Legislation must be introduced and notice must be given, without giving warning to those people in our community who are indulging in these practices so that they can take the opportunity, being forewarned, of getting their conveyancing done and their schemes through, thus defrauding the State of more money.

I would have thought that that was the most logical thing in the world, and it has been done on many occasions. I make allowance for the fact that the Leader and his colleagues have not been here for a long time, but I cannot excuse the member for Playford, because he was in this place time and time again when this process was employed by the former Government for exactly those reasons. As for saying that, because the Bill does not contain a large number of matters which are now on file, it is difficult to talk about, and therefore we cannot refer to it, that is rubbish. There is no way that any adequate and capable debater in this Chamber cannot take the deficiencies in a piece of legislation as he sees them, point them out, and, if necessary, canvass the possible alternative solutions.

**Mr. Bannon:** This is virtually a new Bill.

**The Hon. D. O. TONKIN:** If the Leader of the Opposition does not like the Bill as it is introduced, it is his job to point out in detail why he does not like it, where the deficiencies are, and what he suggests should be done about them, and that is something that he did not do.

**Mr. Bannon:** Will your answer the specific points I have raised?

**The Hon. D. O. TONKIN:** We will get back to those specific points, and I think the obvious time to do that is in Committee. The Leader forgot to say that this is very much a Committee Bill. I come back to the refutation of the remarks of the member for Norwood. This legislation, once it was introduced, was delivered, post haste, to various expert bodies and senior members of professions in the community.

It has been examined by the Law Society, Taxation Institute of Australia, Institute of Chartered Accountants, Australian Society of Accountants, and has been given to various senior members of the legal profession and the accounting profession. I might say that it has attracted a great response from those bodies and those people. There have been detailed consultations with the Attorney-General, the Commissioner and his officers, and it is as a result of those detailed examinations and of seeking that expert advice that the Leader has been exhorting us to get that the amendments that we will deal with in the Committee stage have been placed on file.

Let me be fair and reasonable about this; the Leader is quite right, there is a difficulty in introducing legislation in this way, but of necessity it must be done. I can assure him that most, I think, if not all, of the points that he has raised have been more than adequately covered in the measures that will be taken at a later stage, and that is why I believe that these matters are best dealt with in the Committee stage. I repeat: the matter has been widely canvassed in the expert community, and there is no point in having an expert committee to look at it, because that consultation has already taken place.

A number of matters were raised by the member for Playford, who, I am surprised to know, does not know the difference between "consanguinity" and "affinity". I think most lawyers worthy of their salt would know that: even I know that—it means by blood and by marriage. I do not think there is any problem with that. He raised various matters about the stamping of transactions and superannuation schemes. He will find that appropriate action will be taken to correct clause 10 to make it clear and clarify the situation perfectly well. There is no point in sending this matter to either a Select Committee or an expert committee. It is a matter which, to put it mildly, is complicated, and I believe it deserves the attention of skilled advice, not only from our own legal officers and the accounting officers but also from people in the community in the practise of their professions. That advice has been obtained, and this Bill, as it will be considered after the second reading stage, will undoubtedly contain all the reservations and the answers to those reservations. I have no doubt at all that it will succeed in what it is setting out to do; that is, basically to stop that means of tax avoidance which has been going on for so long of using separate conveyances relating to a single transaction—spreading the thing around. I just do not think that we can get any better advice than we have had, and I am quite certain that members opposite must realise that.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Application of Stamp Duties Act Amendment Act, 1980."

**Mr. CRAFTER:** I seek information with respect to new section 5a(3). The Premier was referring to his dislike for retrospectivity in legislation, but my reading of this section is that, if an instrument is brought into existence, after the commencement of this Act (that is, if in fact a transaction had taken place some 20 years ago but the documentation had not been done and was now done after 6 November, and maybe there was not duty payable on it 20 years ago), pursuant to this legislation duty is payable and retrospectivity could go back many years.

**The Hon. D. O. TONKIN:** I think the honourable member is mistaken. It is quite clearly the intention of this legislation to apply as from the date of commencement of the Act. That is quite clearly set out as relating to 6 November, which is the time when the Bill was introduced. I refer the honourable member to clause 2, which states:

This Act shall be deemed to have come into operation on the 6th day of November, 1980.

It will be in respect of transactions on or after that date.

**Mr. CRAFTER:** I would be pleased to think that that is the interpretation, but I very much doubt that it would be the interpretation placed on an instrument brought into existance after the commencement of the Act. If that is the case, I am sure that many people will be relieved that duty will not accrue in that way.

**The Hon. D. O. TONKIN:** I am advised that, if an instrument is brought into existence, duty will be payable.

Clause passed.

Clause 5 passed.

Clause 6—"Certain copies dutiable."

**Mr. CRAFTER:** I have a minor point about the interpretation of the words. I notice that new section 19a(1) refers to documents that have not been duly stamped or have been destroyed. Do those definitions embrace the loss of a document?

**The Hon. D. O. TONKIN:** I think that the meaning is exactly the same; it would require the same statutory declaration or compliance with the normal procedure.

Clause passed.

Clause 7—"Penalty for not duty stamping."

**Mr. BANNON:** I move:

Page 3, after line 25—Insert word and paragraph as follows:

and

(c) by inserting after subsection (3) the following subsections

(4) Where any instrument that is chargeable with duty under this act is not duly stamped within the period allowed for stamping without penalty each person who executed the instrument shall be guilty of an offence and liable to a penalty not exceeding one thousand dollars or imprisonment for six months.

(5) It shall be a defence to proceedings for an offence against subsection (4) if the person charged proves that he had reasonable grounds to believe that another person had caused or would cause the instrument to be duly stamped within the time allowed for stamping without penalty.

This amendment simply provides for penalties, which at the moment are not within the Bill. One of the gaps that still exists is that a transaction can be made or a document may in fact be drawn, but unless it is put in terms of proceedings or a dispute arises over its enforcement and it needs to be legally proven, then the document may not be presented to the Commissioner for stamping, and there is no way of knowing whether or not it is in existence. Under this provision, if that document's presence is ultimately revealed, a penalty will be levied as follows:

(b) an amount equal to ten per centum of the amount of the unpaid duty for each month for which the instrument has remained unstamped or insufficiently stamped from the day when it was executed until the amount equals the amount of the unpaid duty,

We do not think that is good enough or that is goes far enough or that the amendment aims to do what the Government intends, that is, tighten up the whole situation and really clinch it by signalling to people loudly and clearly that, where there is an instrument that is chargeable with duty, it must be stamped, and if subsequently that document needs to be proved in legal proceedings or taken into account in any way, and it is not stamped, then not just the minor fine or penalty provided in the Bill will apply, but in fact a major penalty will apply to those people who are, in effect, defruading the revenue by not getting the document stamped. It is a simple provision, one that puts a real onus and pressure on people to do the right thing and not to do the wrong thing, knowing very well that if ultimately they must pay the duty there is a bit of a penalty attached to that, but one need not worry about it.

This provision makes it an offence and attaches to it a penalty not in excess of $1 000 or imprisonment for six months. It is not an unreasonable provision, and under subclause (5) there is a defence whereby, if a person charged proves that he has reasonable grounds to believe that another person had caused or would cause the instrument to be duly stamped within the time allowed, no penalty applies. So, this is a let-out provision in such circumstances, but is puts the pressure right on these people who seek to avoid the operation of the Act by simply not getting documents stamped, and it does that by making them subject to a penalty. I am sure, in terms of the way in which the Government is approaching this whole question of tax avoidance, one in which we thoroughly concur, it would be happy to accept the amendment.

**The Hon. D. O. TONKIN:** If there was one way in which this whole piece of legislation would be made totally and absolutely chaotic and unworkable, it would be by bringing in an amendment of this kind. There are two reasons—perhaps members opposite have not considered them. One, of course, is the matter of practicality, and the other is the matter of liability. First, I point out to honourable members that the Commissioner for State Taxation gets about 200 000 documents a year for stamping (usually more), and there is just no way, as some honourable members may well understand, when a document is held up in an agent's office or in a solicitor's office (as has not been unknown, depending on the method of filing adopted by some solicitors), in which practically this provision could apply; it would be totally and absolutely unworkable.

**Mr. Bannon:** There's an exemption.

**The Hon. D. O. TONKIN:** I will come to the exemption in a minute. It would add to the amont of work in the State Taxation Office and it would mean absolute chaos. In the second part of the amendment the Leader has attempted to discriminate between inadvertent failure to lodge and have stamped, and deliberate, quite positive continuance of an avoidance technique. It would be almost impossible to determine what is deliberate and what is inadvertent. Secondly, very many parties to instruments are not responsible for stamping.

**Mr. Bannon:** That's why—

**The Hon. D. O. TONKIN:** I realise that, but the whole point is that there is no way of anyone being able accurately to tell whether or not the proceedings were as a result of a deliberate withholding, or whether it was inadvertent. My advice from the Commissioner is that by far the greater number would be inadvertent, caused by some hold-up in the office. Can you imagine the chaos that would ensue if every case where a document was held up in a solicitor's office had to be examined and investigated to see whether or not it was a deliberate hold-up or an inadvertent hold-up. I repeat: if we want to negate the effects of this Bill, we would accept this amendment.

**Mr. McRAE:** As an answer, that is not good enough. Some start must be made somewhere. The Premier is quite right in saying that the document can be filed away in a solicitor's office, and that could be done quite deliberately.

**The Hon. D. O. Tonkin:** That is not a reflection—it just happens.

**Mr. McRAE:** That can be done deliberately. For example, two persons may want a solicitor to draw up a

lease for them; they decide that, to avoid duty, they will simply take the chance that there is no row between the two of them; that the document does not have to be proved. The solicitor therefore keeps the document in his drawer or his safe for the period of the lease (let's say, one year) at which time it can be simply torn up and replaced with a new document. In that way, duty has been totally avoided, and immorally avoided, on the lease, simply because a group of persons or a solicitor happens to know the person. The Commissioner of State Taxation would know that that goes on all the time—not just a few cases, but hundreds and hundreds.

**The Hon. D. O. Tonkin:** Can he prove it?

**Mr. McRAE:** I do not know. In many cases it would be difficult, but he has inspectors. Under our provision, it seems to me that the aiding and abetting rule comes into effect and that it would be an offence for the solicitor to do such a thing or be party to such a thing. It would become a breach of the etiquette rules of the Law Society. At least it would stop that behaviour by solicitors. Similarly, it would stop that behaviour by accountants. I know the Premier was not happy earlier and that he did not answer some of the more abstruse examples I gave. But I have given a practical example, and I know that the Commissioner for State Taxation must know that this practice goes on all the time, and it must also be known that no solicitor in commercial practice would risk his career on a thing like this if faced with a penalty. If the Government is fair dinkum about it, it should accept our amendment.

If the Premier is saying that ordinary members of the community can be caught in complex situations, then we maintain that new subsection (5) will provide a defence for them, because it can be proved (and it does not have to be beyond reasonable doubt but just on the balance of probabilities) that the person thought that his solicitor, accountant, agent or somebody else was going to cause the document to be duly stamped. If the Premier does not agree with either of these comments, he can report progress, so that we can discuss the matter; that is, if the Government wants to prove that it is fair dinkum in this, new ground can be broken by making it an offence.

**Mr. CRAFTER:** I consider this is a matter of importance, and it may be that the precise wording of the amendment does not satisfy the Premier. However, I suggest that we should look further. The reply the Premier gave was that, if this amendment passed, as the Commissioner already has some 200 000 documents a year to attend to, this would mean that he would have so many more documents that it would be administratively unworkable. I would have thought that that was the best evidence that one could think of for agreeing to the amendment.

A substantial amount of revenue would be coming into the State, and those people who are obliged now only morally to pay the taxes that others pay are not paying them. This provision would require that they do so. We find in other areas of life that people, by compulsion of law, with strict penalties applying, must register their dogs or pay for their motor vehicle registration or water rates. There are other obligations at law with respect to revenue raising so that public services can be provided. However, when we come to certain commercial transactions, we find that the administrators of the offices would be bogged down with the work created if the full effect of the law was to be given effect. I am not sure whether that was the purport of the Premier's reply.

I shall be pleased if that was not what he was telling honourable members. It seems to me that we have a most undesirable situation in this State. I do not say that it does not exist in other States, where legal advisers, accountants and others are telling people that there is no need to stamp documents, as the member for Playford has just said. That is good advice. As the member for Fisher interjected, the Premier's response was excellent. I understand that the member for Fisher is a businessman and, if I were one, I would think that the ability not to have to pay substantial duties was good, too. Members want to see the laws of the land applied fairly across the State, and favourtism given to none. Unfortunately, that is not the case with respect to the administration of the Act at present.

I cannot see why young couples who are purchasing a home, because of the requirement of the bank, must pay stamp duty, whereas, if I went out and bought the goodwill and stock and trade of a hotel, a delicatessen or a fish shop, I could arrange with my solicitor and the other party not to tell the Stamp Duties Office, as a result of which we would not have to pay stamp duty. That seems a most undesirable situation to me. This amendment seeks to address itself to this problem. I am not satisfied with the response that the Premier gave and the reasons why he does not accept the amendment.

**The Hon. D. O. TONKIN:** I have greater faith in the legal profession than, apparently, do any of the three legal gentlemen opposite. I cannot believe that such a widespread practice, as the member for Playford suggests, exists among solicitors, but I do not deny that the practice may go on. However, I am advised that it is neither the general practice nor the general run of events, and certainly that the practice is not considered to be widespread enough to take this sort of action. This legislation is intended to deal with one aspect of tax avoidance in this way. If honourable member are flogging another instance by which stamp duties can be avoided by the illegal action of solicitors—

**Mr. McRae:** It's not illegal.

**The Hon. D. O. TONKIN:** It is improper.

**Mr. McRae:** No, it's not improper, either.

**The Hon. D. O. TONKIN:** It was very much a reflection on the motives of the solicitors involved, and I will not stand that. If we find that that is one way in which the tax is being avoided, we will act to deal with it in due course. The Government will have to be provided with evidence and clear proof that such practices are occurring.

**Mr. Crafter:** Will you have discussions with the Law Society, though?

**The Hon. D. O. TONKIN:** We have already had them.

**Mr. McRAE:** I realise that we are on a tight time table tonight, but I cannot accept what the Premier has said, without further commenting on it. Solicitors are continually involved in such practices, as are accountants and other professionals. There is nothing illegal or improper about it. Does the Premier realise that the etiquette rules of the Law Society and the Bar Association even provide that an unstamped document cannot be drawn to the attention of the court by counsel for one of the parties? That is how absurd it is. The young couple has every cent being wrung out of them, but others with much money at stake are indulging in practices like this.

I do not accept that this is not a prevalent practice. I was not suggesting that the behaviour of the solicitors was either illegal or improper, because it is not. The Act does not require them to do it. If they can get away with it, they are silly not to do so. However, in terms of general morality, it is wrong that one class can benefit, whereas the other cannot. The reality is that the Government is not prepared to grasp the nettle on this occasion. This sort of provision would at least cut out the professionals from such dubious activities.

The Committee divided on the amendment:

Ayes (17)—Messrs. Abbott, Bannon (teller), M. J.

Brown, Crafter, Duncan, Hamilton, Hemmings, Hopgood, Keneally, McRae, O'Neill, Payne, Peterson, Plunkett, Slater, Trainer, and Wright.

Noes (20)—Mrs. Adamson, Messrs. Allison, P. B. Arnold, Ashenden, Becker, Billard, Blacker, Eastick, Evans, Glazbrook, Goldsworthy, Lewis, Mathwin, Olsen, Oswald, Rodda, Russack, Schmidt, Tonkin (teller), and Wilson.

Pairs—Ayes—Messrs. L. M. F. Arnold, Corcoran, Langley, and Whitten. Noes—Messrs. D. C. Brown, Chapman, Randall, and Wotton.

Majority of 3 for the Noes.

Amendment thus negatived.

New clause 7a—"Application for licence."

**The Hon. D. O. TONKIN:** I move:

Page 3, after line 25—Insert new clause as follows:

7a. Section 35 of the principal Act is amended by striking out subsection (1) and substituting the following subsection:

(1) A company, person or firm of persons requiring an annual licence shall make a written application to the Commissioner in the prescribed form containing the prescribed information.

This clause relates to an application for an annual licence to carry on business as an insurer, and provides that the form and contents of any such application may be prescribed by regulation. It is consequential on the amendments proposing certain exemptions from duty on annual licences. It is, therefore, basically a consequential amendment.

**Mr. CRAFTER:** Will the Premier give some interpretation of the effect that this new clause will have on trustees of sporting, charitable and welfare organisations, and whether those bodies will be exempt from the effect of this provision.

**The Hon. D. O. TONKIN:** There is no suggestion that the trustees of sporting bodies will apply to carry on business as insurers. Perhaps I did not understand the honourable member correctly. The clause relates to people carrying on business as insurers.

**Mr. CRAFTER:** I do not see that this clause, as shown in my copy of the amendment, refers to insurance at all.

**The Hon. D. O. TONKIN:** I suggest that the honourable member read section 35 of the principal Act.

New clause inserted.

Clauses 8 and 9 passed.

Clause 10—"Instruments chargeable as conveyances operating as voluntary dispositions *inter vivos*."

**The Hon. D. O. TONKIN:** I move:

Page 4—

Line 14—Leave out "subsection (4)" and insert "this section".

Line 16—After "instrument" insert "to which this paragraph applies".

Line 18—After "person" insert "who takes".

Line 28—Leave out "not referred to in paragraph (a)" and insert "to which paragraph (a) does not apply.

These amendments are of a drafting nature and make more sense of the Bill.

Amendments carried.

**The Hon. D. O. TONKIN:** I move:

Page 4, after line 30—Insert subsection as follows:

(3a) Subsection (3) *(a)* applies to any instrument that relates to land, a marketable security or a unit under a unit trust scheme or an interest or potential beneficial interest in land, a marketable security or a unit under a unit trust scheme.

This amendment is most significant indeed because it answers most of the objections raised by, I think, all three speakers opposite at various times. The amendment limits the application of proposed new subsection (3) *(a)* to instruments relating to land, marketable securities or units under a unit trust scheme. This limitation overcomes the problem to which the member for Playford referred to in regard to superannuation, and I believe that he also mentioned betting transactions.

**Mr. McRae:** Yes, this certainly overcomes those problems.

**The Hon. D. O. TONKIN:** The amendment will ensure that no new area of duty is created by limiting the operation of the Act. The payment of money made to or by a trustee will not be dutiable as a conveyance operating as a voluntary disposition *inter vivos* by virtue of subsection (3), by reason only that an instrument has been created acknowledging, evidencing or recording the payment. This deals with the question of the receipt, to which the honourable member referred.

**Mr. McRAE:** I can give now a specific example that I ask the Government to follow up. The difficulty in relation to the principle legislation was that it cast the net wide, in that the document that evidenced the transaction could come from almost any area. Now, the Premier says, perfectly correctly, the amendment will limit it to land, marketable securities or units under a unit trust scheme, or an interest on potential interests, and so on. This is the difficulty: a person practising in this area put to me a proposition, which shows how, within a few days, someone practising in this area worked out how to dodge the whole lot by working out a new scheme.

Assume, first that a discretionary trust owns land, and that the value of the land is say, $100 000. Secondly, assume that the trust owes the beneficiaries of the trust the same sum, that is, $100 000. That could come about in a number of ways; for instance, one could capitalise interest. We therefore have a trust owning land and also owing its beneficiary two identical sums of money. The trustee would normally be a corporate trustee and the shares in the corporate trustee could be sold for, say, $200 000. The transfer of the shares will attract only nominal duty, and I was told that that could be 14 cents or 28 cents. The trust would still have the land. The purchaser of the trust deed would lend $100 000 to the trustee, the vendor would be walking away with $100 000, and the purchaser would have the land. Provided that the discretionary trust was cast in wide enough terms, the purchaser, on selling the land, could then leave the trust with cash in it . This does not pick up tax, and this is the whole point. Therefore, the only thing that would then need to be done would be to vary the trust so as to make the family the object.

That was one example worked out by a person in a very short space of time to show how, by complex and devious means, a lot of duty can be saved. I wanted to record that example in *Hansard* so that the Government can consider it and perhaps advise, through the other place, whether I am right or wrong, and what can be done.

**The Hon. D. O. TONKIN:** It just goes to show that there is always another way out, given the right circumstances. The whole thing hinges on the terms of the trust. I will undertake to find out what the score is and let the honourable member know. However, whether it is possible to do that as rapidly as he would like (that is, by tommorrow) is another matter. However, I will find out what the position is.

Amendment carried.

**The Hon. D. O. TONKIN:** I move:

Page 4, line 31—Leave out "An" and insert "Subject to subsection (4a), an".

This is purely a drafting amendment.

Amendment carried.

**The Hon. D. O. TONKIN:** I move:

Page 4, after line 37—Insert paragraph as follows:

*(ab)* a transfer *in specie* of property of a company in liquidation made by the liquidator to a shareholder of the company;.

This amendment will make sure that a transfer *in specie* of property of a company in liquidation made by the liquidator to a shareholder will continue to be exempt from stamp duty, as before.

Amendment carried.

**The Hon. D. O. TONKIN:** I move:

Page 4, lines 38 to 42—Leave out all words in these lines and insert "a transfer of any marketable security issued by a public company to a person who takes as trustee where—".

This amendment basically widens the exemption provided by proposed subsection (4b) so that it applies to a transfer to a bare trustee of any marketable security issued by a public company, not only marketable securities quoted on or in respect of which permission to deal in has been granted by a Stock Exchange. It gives a wider exemption to a trustee.

**Mr. BANNON:** Why is that wider exemption sought in an area where we are trying to tighten up the Act, not widen it?

**The Hon. D. O. TONKIN:** This was one of the matters that was dealt with in taking advice from various authorities. In this case it was the Taxation Association, I believe. This was thought to be fair and equitable and, accordingly, it has been written in.

Amendment carried.

**The Hon. D. O. TONKIN:** I move:

Page 5, lines 4 to 25—Leave out all words in these lines and insert:

"where the Commissioner is satisfied that the transfer is not part of a scheme for conferring a benefit in relation to the trust property upon the new trustee or any other person, whether as a beneficiary or otherwise, to the detriment of the beneficial interest or potential beneficial interest of any person".

The amendment widens again the exemption provided for transfers between trustees to any such transfer if the Commissioner is satisfied. The Commissioner must be satisfied that it is not part of a scheme for conferring any benefit upon any person in relation to the trust property to the detriment of the beneficial interest or potential beneficial interest of any person. The exercise of the discretion by the Commissioner will be subject to review in the same way as is any other assessment of duty, that is, through the opinion, objection, and appeal provisions of the principal Act. It is a matter on which advice has been taken, and the normal objection and appeal provisions of the principal Act will apply.

Amendment carried.

**The Hon. D. O. TONKIN:** I move:

Page 5, lines 29 to 35—Leave out paragraph *(e)* and insert paragraphs as follows:

*(e)* a transfer to a natural person who is an object of a discretionary trust of property or the beneficial interest in property subject to the discretionary trust, where:

(i) the discretionary trust was created by an instrument that is duly stamped; and

(ii) the Commissioner is satisfied that the discretionary trust was created wholly or principally for the benefit of that person or a family group of which that person is a member;

*(ea)* a transfer of a potential beneficial interest in property subject to a discretionary trust where:

(i) the discretionary trust was created by an instrument that is duly stamped wholly or principally for the benefit of a family group; and

(ii) the transfer is made by one member of the family group to another member of the family group, or by a member of the family group by way of surrender or renunciation of the potential beneficial interest and another member of the family group is to continue as an object or beneficiary under the trust;

*(eb)* a transfer to or by a person in his capacity as the personal representative of a deceased person or the trustee of the estate of a deceased person, not being a transfer in pursuance of a sale;

*(ec)* any variation of the terms of a trust where the trust was created by an instrument that is duly stamped and the variation does not involve the creation or variation of any beneficial interest or potential beneficial interest in property subject to the trust;.

This widens the exemption and, again, it is as the result of representations made by the experts whom we consulted. It widens the exemption provided by proposed subsection (4)(e) in relation to transfers pursuant to a will or upon an intestacy. The amendment makes clear that any transfer to or by a person in his capacity as personal representative or trustee of the estate of a deceased person will be exempt unless it is made in pursuance of a sale. That is obviously a very necessary exemption. It also provides exemptions for transfers under discretionary trusts created wholly or principally for the benefit of a particular person or family group or for any variation of the terms of a trust where the variation does not involve any change in beneficial or potential beneficial interests under the trust.

Amendment carried.

**The Hon. D. O. TONKIN:** I move:

Page 5, after line 38—Insert subsections as follows:

(4a) Subsection (4) does not apply in relation to a transfer of property or a beneficial interest in property to a person who has, prior to the transfer, a beneficial interest or potential beneficial interest in the property but who takes the property or interest transferred to him as trustee under a further trust.

(4b) For the purposes of subsection (4) *(d)*, a person who is an object of a discretionary trust by virtue of an instrument that is duly stamped shall not be regarded as having a beneficial interest in the trust property by virtue of an instrument that is duly stamped unless the person has been appointed to be a beneficiary under the discretionary trust by a further instrument that is duly stamped.

The amendment proposes further subsections (4a) and (4b). Subsection (4a) is designed to clarify the situation, to make clear that a transfer of property to a beneficiary under a trust is not exempt from duty if the transferee takes the property as trustee under a further trust. Subsection (4b) is designed to make clear again (and these were matters which were intended, but which our expert advisers considered were not sufficiently clear) that a person who is an object under a discretionary trust by virtue of an instrument that is duly stamped is not to be regarded as having a beneficial interest in the trust property by virtue of an instrument that is duly stamped, unless he has been appointed to be beneficiary by a further instrument that is also duly stamped.

Amendment carried.

**The Hon. D. O. TONKIN:** I move:

Page 6, after line 8—Insert subsection as follows:

(7a) Notwithstanding any other provisions of this Act, the rate of duty chargeable in respect of a conveyance operating as a voluntary disposition *inter vivos* of a marketable security, shall, if that conveyance is made in pursuance of sale, be the

rate fixed by the second schedule in respect of a conveyance or transfer on sale of a marketable security or, as the case may require, in respect of a return lodged pursuant to section 90d.

That new subsection is for clarification and to define the intention of the Bill. It is intended to make clear that a transfer on sale of marketable securities attracts the lower rate of duty applicable to such transfers even though the transfer is also a voluntary disposition *inter vivos* for the purposes of section 71.

**Mr. CRAFTER:** What effect will this provision have on superannuation funds? Has that matter been considered?

**The Hon. D. O. TONKIN:** I think I made this clear earier when dealing with the amendments. Subsection (3) (a) specifically exempts superannuation funds by applying the instrument to land, marketable security, or a unit under a unit trust scheme or a potential interest. The earlier amendment that we have dealt with makes it quite clear that superannuation is not affected in this way.

**Mr. CRAFTER:** Would not the allotment of additional shares or a bonus issue be a legitimate course of business of superannuation funds, and should that not also be included?

**The Hon. D. O. TONKIN:** I am advised that that is not a conveyance, and thus would not attract duty.

Amendment carried.

**The Hon. D. O. TONKIN:** I move:

Page 6, lines 11 and 12—Leave out "that kind" and insert "a kind referred to in subsection (3)(a)".

This is purely a drafting amendment.

Amendment carried.

**The Hon. D. O. TONKIN:** I move:

Page 6, after line 13—Insert subsections as follows:

(8a) Without limiting the generality of subsection (8), where an instrument that is duly stamped transfers or creates or acknowledges, evidence or records the transfer or creation of any property or interest in property and the person to or in whom the property or interest in property is transferred or vested takes the property or interest in property as trustee, the Commissioner shall, upon application and production of that instrument, stamp any declaration of trust or other instrument that acknowledges, evidences or records the fact that the person took the property or interest in property as trustee with a particular stamp denoting that it is duly stamped.

(8b) Notwithstanding any other provisions of this Act, where—

*(a)* property has been transferred to a peson who took as trustee;

*(b)* that property is subsequently transferred back to the transferor; and

*(c)* the Commissioner is satisfied that no person other than the transferor under the first transfer has had a beneficial interest in the property during the period elapsing between the transfers,

the Commission shall, if *ad valorem* duty was paid in respect of the first transfer, upon application, refund to the person who paid that duty an amount equal to the difference between the amount of the duty and four dollars.

This amendment inserts two further subsections. The first is intended to make clear that, where a trustee receives property as trustee by a transfer on which duty has been paid, further duties will not be chargeable on a declaration acknowledging that he took the property in his capacity as trustee. That would be unlikely to happen anyway, but this provision makes it absolutely clear that he will not be charged twice. The new subsection also provides that, where an interest in property is created, such as a mortgage or a lease and vested in a person as a trustee by an instrument on which duty has been paid, further duty will not be chargeable on a declaration by the trustee that he took the property in his capacity as a trustee. It simply makes clear that there will be no double duty. New subsection 8 *(b)* provides very properly that the Commissioner may refund *ad valorum* duty paid on a tranfer to a person where the tranferor, in efect, retained the beneficial interest, if the property in question is at any time tranferred back to the transferor. If that happens, there must be a mechanism whereby *ad valorem* duty can be assessed.

Amendment carried.

**The Hon. D. O. TONKIN:** I move:

Page 6—

Lines 19 and 20—Leave out "by the person holding the property or another person or both".

After line 22, insert:

"family group" means a group of persons connected by an unbroken series of relationships of consanguinity or affinity:.

After line 25, insert:

"public company" means a public company within the meaning of the Companies Act, 1962-1980:.

After line 45, insert:

"unit" in relation to a unit trust scheme means a right or interest (however described) of a beneficiary under a unit trust scheme:

"unit trust scheme" means an arrangement made for the purpose, or having the effect, of providing, for persons having funds available for investment, facilities for the participation by them, as beneficiaries under a trust, in any profits or income arising from the acquisition, holding, management or disposal of any property, not being an arrangement made by a deed approved for the purposes of Division V of Part IV of the Companies Act, 1962-1980.

These are drafting amendments necessary to cover the various terms used in the amendments that have already been dealt with.

Amendments carried.

**Mr. CRAFTER:** I refer to new subsection (4) *(g)* proposed to be inserted by this clause, dealing with "a transfer of a prescribed class". Can the Premier give the definition of "a prescribed class", and say who in fact prescribes that class referred to?

**The Hon. D. O. TONKIN:** Obviously, a prescribed class would be a class prescribed by regulation, and it is likely to vary from time to time, depending on the circumstances that apply. I am not able to give specific examples now, but it is necessary to have that flexibility. Most of the length of the amendments to clause 10 have been the result of very close consultation. While some of the amendments may not have been completely necessary and may have been introduced, as a former Attorney-General said, with an excess of caution, nevertheless it was felt that clarification was necessary so that there would be as little dissension as possible from the Commissioner's very real duty in assessing them.

**Mr. CRAFTER:** I note that there appears to be a new definition of "transfer" which includes the words " 'transfer' means", and the principal Act refers to a conveyance and states "conveyance includes". There would seem to be a substantial change here in the definition clauses. Can the Premier explain to the House why this has been necessary? I would have thought that "transfer" as a legal definition was in fact a specie of "conveyance", but it seems that that has now been reversed.

**The Hon. D. O. TONKIN:** I shall be pleased to get details of those matters from the honourable member. I do

not have the specific argument with me at present, but I will ensure that he gets an explanation.

Clause as amended passed.

Clause 11—"Provision where trust property disturbed *in specie*."

**The Hon. D. O. TONKIN:** Obviously, a prescribed class would be a class prescribed by regulation, and it is likely to vary from time to time.

**The Hon. D. O. TONKIN:** I move:

Page 7, lines 2 and 3—Leave out all words in these lines and insert 'passage "voluntary disposition *inter vivos*" the passage "if, in the case of a trust other than a trust declared by a will, the beneficiary is beneficiary by virtue of an instrument that is duly stamped" '.

This amendment simply ensures that where a transfer to which section 71a applies, which we have already covered, is made pursuant to a will, the will need not be stamped with a stamp indicating that no duty is payable on the will. Again, it is purely a formality.

Amendment carried; clause as amended passed.

Clause 12 passed.

New clause 12a—"Duty chargeable proportioned to value of South Australian property."

**The Hon. D. O. TONKIN:** I move:

Page 7, after line 38—Insert new clause as follows:

12a. The following section is inserted after section 81a of the principal Act:

81b. Notwithstanding any other provisions of this Act, where—

*(a)* a security creates a charge upon property in South Australia and property outside South Australia, the duty chargeable under this Act in respect of the security shall be calculated by reference only to that part of the amount to be paid or repaid under the security that bears to the total amount to be paid or repaid the same proportion as the value of the property in South Australia bears to the total value of the property subject to the charge;

or

*(b)* a security creates a charge upon property outside South Australia and not upon property in South Australia, the duty chargeable under this Act in respect of the security shall, subject to any exemption under this Act, be four dollars.

The clause inserts a new section 81b, which provides that the duty chargeable on a security given over property will be proportioned to the value of the property actually in South Australia. This will ensure that copies of company securities required to be registered in South Australia will be dutiable only in relation to that part of the property charged that is South Australian. All members would agree that that is a necessary addition.

New clause inserted.

Clause 13 and title passed.

Bill read a third time and passed.

## EDUCATION ACT AMENDMENT BILL (No. 2)

Returned from the Legislative Council without amendment.

## PETROLEUM SHORTAGES BILL

Returned from the Legislative Council without amendment.

## STATE DISASTER BILL

Returned from the Legislative Council with the following amendment:

Page 2, lines 21 and 22 (clause 5)—Leave out "a strike or lock-out" and insert "an industrial dispute".

Consideration in Committee.

**The Hon. D. O. TONKIN:** I move:

That the Legislative Council's amendment be agreed to.

This matter was canvassed in the House when the Bill was before it. While I believed at the time that the definition might be too wide, we have taken advice on the matter, and it makes little difference at all to the meaning of the situation, other than the fact that it takes away the specific definition of "strike" and "lock-out" and inserts "an industrial dispute", and the Government is pleased to accept it.

**Mr. BANNON:** We are pleased to support the Government. As the Premier has mentioned, we moved this amendment here. I disagree with the Premier's saying that it is insignificant. The technical definitions of "strike" and "lock-out" are such as to circumscribe the provision too closely, and thus defeat the purpose of having the clause itself. This amendment gives effect to the Government's intention in a way that is much more comprehensible and effective.

Motion carried.

## HOLIDAYS ACT AMENDMENT BILL (No. 2)

Returned from the Legislative Council without amendment.

## ABORIGINAL LANDS TRUST: KATARAPKO

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

## TRADING STAMP BILL

Adjourned debate on second reading (resumed on motion).

**The Hon. J. D. WRIGHT (Adelaide):** It has been a long night waiting for this legislation. I suppose that one can blame the Premier for that, with all of his amendments.

**The Hon. Jennifer Adamson:** Why?

**The Hon. J. D. WRIGHT:** Because of all his amendments.

**The DEPUTY SPEAKER:** Order! It is the Trading Stamp Bill that we are now discussing.

**The Hon. J. D. WRIGHT:** Thank you for reminding me, Sir. I place on record that I have been told by some of my colleagues that neither the Bill nor the Minister's second reading explanation is available. At least two of my colleagues have been chasing up the explanation and the Bill itself, to which we were going to devote some time this evening, and I have been informed at this late hour that copies of neither are available. I went to the Legislative Council and obtained mine. I make that protest, so that they are made available in future when the Government is introducing legislation this late at night.

The Bill is opposed by the Opposition in this Chamber, as it was in the Legislative Council. It sets out to repeal the Trading Stamp Act, 1924-1935, which seems to me to have served the State well during that period. One of the difficulties I have had is in trying to establish from the explanation whence the demand has come for the repeal of the Act and the implementation of the Bill now before us.

Nowhere in the explanation in the Legislative Council is that stated. There does not seem to be any consumer demand to change the current legislation. One must assume that the legislation obviously must have come from major retail stores. I cannot find where small business has requested such legislation. One becomes somewhat suspicious as to why the Government is introducing this legislation when there appears to be no visible demand for it. There may be an invisible demand. I believe that the Government ought at least to place on record whence this legislation emanated and who is demanding that the initial legislation be repealed and replaced by the Bill. It appears that we must analyse what are the benefits and who can receive those benefits.

I cannot establish clearly in my mind whether the benefits are real or imaginary. I suppose that to advertise in some form or another to entice people to buy involves the old adage that advertising pays. The industry has been circulating that adage for many years, as has the press, because both of those areas would receive some remuneration from advertising.

There can be little question that the trading stamps practice is another form of advertising; I do not think any one would argue about that. People are encouraged and enticed by advertising on the television or the radio, or in newspapers, and a similar situation must apply in regard to the benefit (if one wants to call it that) or the ability to obtain trading stamps on the purchase of goods. I say, without equivocation, that the mere fact that trading stamps are available is an enticement to people to purchase, and I do not know whether that is good or bad. It may be bad, because people should have time to consider their position rather than being enticed or pushed into buying goods, as provided by this Bill.

This measure has already passed the Legislative Council so, obviously, it will be passed in this House in this form. I suppose one could describe trading stamps as a subtle form of advertising. It is a relatively new form in South Australia, although I know that it has been operating on a national basis for some time and, if my information is correct, it has been occurring in South Australia illegally. I do not know how prevalent the practice is, but I believe that it is occurring at present. I suppose that, in a way, the Government is legalising what is occurring in a minimum way and allowing it to occur in a maximum way. Once this Bill becomes law, no doubt we will see all sorts of innovations, with which I cannot concur.

I want to place on record my objection that this Bill will benefit only one section of the community. In no circumstances will the consumer benefit, and I wonder whether small business men will benefit or whether they will find themselves in a competitive position with big business. From contacts that I have established with representatives of the industry over the past few months, I can say that they are concerned about the ways in which they are unable to compete with large traders, as will be the case under this Bill. I do not believe that the small business community will be able to compete on a reasonable basis with big business in handing out bonuses or gifts.

I mentioned the two sections of the community that will be injured by the legislation (the consumer and the small business man); one is left with a doubt as to whom this Government is trying to help. It is clear that the Government is not trying to help small business or the consumer. I know it is said that the Bill will tie up interstate relations in regard to this practice, and that is the only meaningful thing (if it is meaningful) that the second reading contributions have indicated. It seems that the Government, in almost every circumstance possible, is trying to help big business, and there is little question that here is a further example (and there are other examples) of this Government's toting to big business.

I am extremely suspicious about the circumstances of this Bill. Also, I wonder what it will do to prices. It seems that prices will fit into at least three categories. At present, we have a singular pricing system with no gifts, bonuses or enticements made available by retailers, but, once this Bill is enacted and retailers take up the practice and get into the business of trading stamps, there will be an original price, a price with trading stamps attached, and a price with bonuses, lotteries, gifts, and other prizes attached. That situation will be confusing to the consumer, because he will not know the real value of the goods.

If one goes into a major store at present, one can see that the cost of an article is, say, $10—that is the price at which the article is to be purchased. However, if 20 stamps are attached to the buying of that article (I do not know how many stamps will be made available, but let us assume that the number is 20), the consumer will get another prize by presenting those 20 stamps, so the article must have been overpriced in the first place.

That is the area to which I object strongly, because consumers will be overcharged in the first instance. If bonuses were not available, it is logical that the goods would be purchased at a different price from the price associated with trading stamps, and the latter price should be lower than the price in the first instance. I hope that the Minister, when she replies, will say whether there are considered answers to that problem. I do not believe that the consumer should be placed in a confusing situation. Goods should not be overpriced in the first place.

I wonder whether the whole exercise will be inflationary, because people will purchase overpriced goods and, obviously, this can bring about an inflationary situation. The price competition will vanish, and the Bill will bring about an inflationary situation. The Consumers Association of South Australia referred to this inflationary situation, and stated:

> The organisation is not convinced that the repeal of the Act will not result in increased prices to the consumer. Evidence quoted in the CASA review of the Act April 1979 is largely based on studies carried out in countries and States were trading stamps and promotional gains have long been established. The studies usually compare retailers who engage such promotions with those who do not. To the best of the CASA's knowledge, there are no studies which look at the before and after situation of relaxing legislation, such as would be the case in South Australia.
>
> Further, evidence from America suggests that where the practice of trading stamps and promotional gains has reached wide market penetration, prices are usually several percentage points higher.

I wonder whether the Government has taken that point into consideration. Obviously, CASA has done its research; it makes a definite and final statement that, wherever these circumstances are in application, the prices are several percentage points higher. The quotation continues:

> The quote often used by industry itself is that there is no such thing as a free lunch.

We have all heard that from time to time. No-one takes a person out to lunch for nothing. I know from my own experience that anyone who takes me to lunch wants to talk to me and to get the value of the lunch out of me, wanting me to do something for them. Some nice people occasionally might take us out to lunch for the benefit of our company, but that is not the general situation. The Minister agrees. She is probably going through it almost daily. There can be no give-aways in this life. Whatever we

purchase we must pay for, and nothing is given freely. The quotation continues:

> Promotional enterprises are, by the nature of our economy, profit-making ventures despite their being presented as something for nothing benefits to consumers. Someone has to pay.

One does not have to be Einstein to work out that the consumer will pay. Manufacturers and retailers will not give away goods for nothing. Even the cost of normal advertising is recovered from the consumer. If they are to give away trading stamps, someone must pay, and in my view that someone will be the consumer. The quotation continues:

> These promotions can be launched either by manufacturers or by various outlets at the retail level.

It is clearly on the shoulders of the Government as to whether or not it proceeds with this legislation and what its effects will be. In my view, they will not be in the best interests of the consumer, but will serve the purposes of only one section of the community. The document of the Consumers Association of South Australia makes four recommendations that I believe are quite substantial.

The first is that the Trading Stamp Act 1924-1935 should not be repealed. I support that entirely. I believe that that piece of legislation has served South Australia well and that it should not therefore be repealed. The second recommendation is that trading stamp companies and trading stamps of any description should be prohibited. I support that. The third recommendation is that penalties for non-compliance with the Act should be heavy and the Act should be strictly enforced, and I support that, too. The final recommendation is that comprehensive data on promotional activities in other parts of Australia should be gathered. The last point has much validity. Before the Government moved in this area to suit only one section of the community, it should have tried to gather information on what was happening in other States, without forcing such legislation on to the community.

In those circumstances, I believe that only one thing can happen. Perhaps the Government is using this legislation following a statement I heard from the Premier on radio a couple of weeks ago in which he said that the South Australian business community was not playing the game but should be getting off its tail and attempting to stimulate the economy. He said that there was need to do that, and I make no criticism of that statement. I have believed for some time that the business community could stimulate the economy much better than it is doing so. Perhaps the Government is using this legislation to entice purchasers and consumers to buy and keep buying.

Clearly, the effect of the legislation is that, with the various advertisements and enticements, there is a real possibility that people will not hesitate and will not think about the purchases they make but will be glamourised into a situation where they will spend money that they cannot afford. All of those things will be on the head of the Government. For all the matters I have raised the Government will be responsible, and the Opposition opposes the Bill in its entirety.

**Mr. HEMMINGS (Napier):** I am in an embarrassing situation in that neither the Bill nor the Minister's second reading explanation has been placed before me tonight. Half an hour ago, I inquired about both documents, but so far they have not reached me. So I will have to go on what my Deputy Leader has said. Drawing on my experience over the years in the United Kingdom in relation to trading stamps, I know that the smaller business man has been forced out of the market. He cannot compete with the larger businesses. The consumer pays, as is always the case. This Government, this so-called champion of the small business man, and the Minister in charge of the Bill have always been on record as promoting small business, and I hope that they will be able to convince the House tonight of the need for this legislation.

The Minister nods her head to indicate that she will be able to convince us, but I am sure that she will not be able to convince members on this side that the allowing of trading stamps will promote small business. It does not. I saw in the United Kingdom the demise of many small business houses that were forced into the promotion of trading stamps. They could not compete with the larger stores or with the cut prices of stamps, and went to the wall. If the Minister can justify that attitude, perhaps Opposition members may be able to support the Bill, but I very much doubt it.

As I have neither the Bill nor the second reading explanation before me, there is little more I can say. Perhaps the Government intended not to give the Bill or the explanation to members so that it could go through fairly quickly. Like the Deputy Leader, I oppose it, and I hope the Minister can explain at least some of the points that I have raised.

**The Hon. JENNIFER ADAMSON (Minister of Health):** The Opposition is exhibiting a perfectly predictable ideological bias in opposing this Bill. There seems to be a remarkable lack of logic and an extreme amount of confusion in the reasons it is putting forward for its opposition. Let me deal briefly with some of the points raised by the Deputy Leader. First, he asks where the demand for this Bill is coming from and whether small business has requested it.

The Government believes that both the consumer and small business will benefit from an expanded opportunity for promotion by firms that choose to engage in this form of promotion. That, of course, is the reason for introducing the Bill, because the present situation in South Australia is inequitable in so far as companies that sell their goods nationally and that operate trading stamp schemes interstate are unable to operate those schemes in South Australia. That is for the large companies, and the small companies in this State that want to engage in such schemes and are unable to do so. Therefore, there are benefits for large and small companies in this Bill.

The Deputy Leader seemed to be trying to say that trading stamps are simply another form of advertising. From the way in which he was speaking about the trading stamps being another form of advertising, he was almost implying that advertising, *per se*, was bad in itself. That is a proposition which I reject entirely and which anyone in a consumer society such as ours would have to reject entirely. Advertising promotes sales and provides information which can only be of benefit to the consumer. The Deputy Leader said that people ought to have time to consider their purchase. That argument is really irrelevant because the consumer has as much time to consider his or her purchase when trading stamps are involved as with any other kind of purchase, so that argument seems to me to be completely unrelated to the Bill.

The Deputy Leader then went on to ask whether the Bill would benefit small business, and to describe it as yet a further example of this Government's toting to big business. I would like to provide some examples to the Deputy Leader of how this Bill will benefit small business by facilitating its capacity to promote itself to consumers.

On a holiday earlier this year in Queensland my husband and I were renting a car. We found that trading stamp tickets were placed in that car for a variety of small businesses. In fact, all of them were small businesses,

promoting their product or service by the medium of trading stamps. For example, one could book a meal at a certain restaurant and two children would get free meals while the adults accompanying the children would pay. One could book a joy flight for two and one of those flights would be free.

In terms of development of the tourist industry, trading stamps are a definite enticement, which is the word that the Deputy Leader used. I think that it is a good word to use, because it literally provides encouragement to tourists, like any other consumers, to patronise a certain range of services or to use a certain kind of goods.

**The Hon. J. D. Wright:** You don't honestly think you got a free meal?

**The Hon. JENNIFER ADAMSON:** Let us acknowledge the reality that companies are going to allocate a proportion of their budget to advertising. This simply enables an additional form of advertising. The company may not spend more money on advertising, but it will choose the trading stamp method because it believes that that method is more effective for its particular target market than another form of advertising. In saying that, I emphasise that this Bill facilitates a wider range of promotional methods than is presently available in this State to both large and small firms.

It is quite obvious to anyone in touch with modern marketing methods that modern marketing requires flexibility and ingenuity, and, the greater access to a variety of techniques or promotions that a firm has, the greater capacity it has to reach its target market. A technique such as this, which is accessible to both large and small businesses, can only be of benefit to both those types of business.

The Deputy Leader made comments about trading stamps glamourising a product to the point where a consumer finds it is irresistible. I can only say that he attributes a very low level of intelligence to consumers and seems to have a desire to protect consumers to the point where they are unable to exercise their own discretion in relation to the kinds of product that they buy. The member for Napier compared the situation in South Australia to that in the United Kingdom. That is an irrelevant comparison because the very schemes that the honourable member complains about in the United Kingdom will still be prohibited in South Australia. I refer to, say, third party trading stamps, which are prohibited under this Bill.

Let me give one or two more examples of the benefits which will come to small business, and it was small business that members of the Opposition referred to when claiming that the Government was damaging small business and not benefiting it. I give an example fairly close to Parliament House. The Pancake Kitchen, under this Bill, will be able to distribute vouchers for free pancakes, thus attracting people to the restaurant in the first place, and then encouraging repeat trade. Other restaurants will be able to do the same thing. Local tradesmen who do letter box drops can offer, for example, as an encouragement to a first purchaser, two lawnmowings for the price of one.

This is the kind of thing that will be made possible under this legislation. It will, I believe, be a very great benefit to small business, which presently might find the cost of media advertising beyond its budget, but would find the cost of trading stamps within its budget and a most valuable means of encouraging greater business and attracting more consumers. In introducing this legislation, the Government has recognised the need for greater flexibility in promotional methods used by businesses, small and large, in South Australia. The Government should be commended on introducing the legislation and the Opposition condemned for opposing it.

The House divided on the second reading:

Ayes—(20)—Mrs. Adamson (teller), Messrs. Allison, P. B. Arnold, Ashenden, Becker, Billard, Blacker, D. C. Brown, Evans, Glazbrook, Gunn, Lewis, Mathwin, Olsen, Oswald, Randall, Schmidt, Tonkin, Wilson, and Wotton.

Noes—(17)—Messrs. Abbott, Bannon, M. J. Brown, Crafter, Duncan, Hamilton, Hemmings, Hopgood, Keneally, McRae, O'Neill, Payne, Peterson, Plunkett, Slater, Trainer, and Wright (teller).

Pairs—Ayes—Messrs. Chapman, Goldsworthy, Rodda, and Russack. Noes—Messrs. L. M. F. Arnold, Corcoran, Langley, and Whitten.

Majority of 3 for the Ayes.

Second reading thus carried.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Interpretation."

**The Hon. PETER DUNCAN:** Can the Minister say why the Government rejected the recommendations in the report on this matter? Recommendation No. 3 states:

> No promotion is to be dependent upon the purchase of goods or services. Under this condition the following types of promotions would be prohibited: schemes such as the *News* "Telewords" which not only involve the purchase of commodities but also create a short-term tying agreement; and store promotions such as John Martin's "Super Make Dollars Game". The following would be allowed: Pub Squash "Win Words"; Pancake Kitchen and Hungry Jack's vouchers; Riley McKay offers (subject to condition 3 below).

Clause 4 (2), which is now in the Bill, provides:

> A trading stamp that—
>
> *(a)* is supplied with or as part of a newspaper, magazine or other publication;
>
> and
>
> *(b)* is not redeemable by a person other than the manufacturer or a vendor of the goods or services to which it relates,
>
> is not a third party trading stamp.

That is a specific provision in this legislation to assist newspapers to run various competitions, so-called, in an endeavour to sell newspapers. In many instances they are quite clearly third party trading stamp arrangements, yet the Government has seen fit to put a specific piece in the legislation to provide that newspapers will be able to run these competitions. Why has the Government decided to go against the recommendations made in the report, and, more particularly, not only to go against the recommendations but also to place in the legislation a clause which specifically allows these types of arrangement, competition and the like to be run by newspapers?

**The Hon. JENNIFER ADAMSON:** As the honourable member would be aware, last night amendments to the Lottery and Gaming Act were introduced into this House, and the whole purpose was that the two Bills be introduced simultaneously. Rather than simply amending the Trading Stamp Act to achieve the effect, the Lottery and Gaming Act amendments were introduced to effect control over free lotteries and competitions run for the purpose of trade. Between the two amendments the situation that the honourable member has outlined has been covered.

**The Hon. PETER DUNCAN:** That is a very fascinating little speech by the Minister, but it is absolutely irrelevant to the question I asked, so I shall ask it again. Why did the Government choose not to accept recommendation No. 3 on page 29 of the report which was prepared for it in relation to this matter and which quite specifically stated

that the provisions of the Trading Stamp Act dealing with newspaper competitions and the like should be left as prohibited under the legislation? Why did the Government decide to reject that recommendation, and, more specifically, why did the Government not only reject that recommendation but also put a specific provision in this Bill to ensure that newspapers are able to conduct such competitions?

Regarding the Minister's comment that these two Bills were introduced simultaneously, she must surely have been facetious, because, as I pointed out to the House last night, it became almost impossible for this House to debate the Lottery and Gaming Act sections ancillary to the Trading Stamp Act because those provisions reached this House before the Trading Stamp Act. Whereas we had two pieces of legislation that should have been dealt with together, in effect, in one debate, and therefore saving some time of the Parliament, the Government chose not to do that. This was a very unsatisfactory precedent that the Government created. I do not know why it chose to do so, but nonetheless it has been done. Certainly, it did not facilitate the debate and save the Parliament time. To suggest that they were introduced simultaneously is utter rot.

**The Hon. JENNIFER ADAMSON:** Certainly, we did not have a cognate debate when debating the amendments simultaneously, but they were introduced in the House in the same week. The simple, straightforward answer to the honourable member's question is that the report to which he referred was completed under the previous Government, in April 1979. The present Government believes that the recommendations of that report went too far in restricting competition.

**Mr. HEMMINGS:** I, like most members of the Committee, do not have copy of the Bill before me, as I mentioned in the second reading debate. I therefore move:

That progress be reported.

The Committee divided on the motion:

Ayes (16)—Messrs. Abbott, Bannon, M. J. Brown, Crafter, Duncan, Hamilton, Hemmings (teller), Hopgood, Keneally, O'Neill, Payne, Peterson, Plunkett, Slater, Trainer, and Wright.

Noes (20)—Mrs. Adamson (teller), Messrs. Allison, P. B. Arnold, Ashenden, Becker, Billard, Blacker, D. C. Brown, Eastick, Evans, Glazbrook, Goldsworthy, Lewis, Mathwin, Olsen, Rodda, Russack, Schmidt, Tonkin, and Wilson.

Pairs—Ayes—Messrs. L. M. F. Arnold, Corcoran, Langley, and Whitten. Noes—Messrs. Chapman, Oswald, Randall, and Wotton.

Majority of 4 for the Noes.

Motion thus negatived.

**The Hon. PETER DUNCAN:** Notwithstanding that some of my colleagues are being forced to debate this Bill in Queensland-type conditions—

**Mr. Becker:** How many times did you bring in Bills without copies being available?

**The Hon. PETER DUNCAN:** We were always able to ensure that there was an officer around the place with a fast photostat machine to ensure that these types of Bill were supplied in sufficient quantities. There is nothing about photostat machines in the Bill, and I would not want to digress on to such matters. I listened with interest to the Minister's explanation of why the Government did not accept the recommendation included as recommendation No. 3 in the report that was done on this Bill. She simply said that it did not fit in with the ideological parameters, in effect, of this Government. That is not good enough, because this clause specifically states:

(2) A trading stamp that—

*(a)* is supplied with or as part of a newspaper, magazine or other publication; and

*(b)* is not redeemable by a person other than the manufacturer or a vendor of the goods or services to which it relates,

is not a third party trading stamp.

That provision has clearly been included in the legislation, as I said last night, as a result of pressure from the Murdoch newspaper group on this Government. I keep waiting for the sound of denials from the Government front bench. We did not hear any denials last night, and we are not likely to hear them tonight. This piece of drafting has been included in the legislation specifically at the request of the Murdoch organisation, specifically at the request of Mr. Simon Galvin to the Premier of this State, and there is no doubt that this aspect of the legislation was included as part of the Government's pay-off for the incredible support it received during the election campaign from the Adelaide *News*.

**The CHAIRMAN:** Order! There is nothing in the clause that deals with elections. The honourable member must relate his remarks to the clause.

**The Hon. PETER DUNCAN:** There is clearly a provision in the legislation that deals with trading stamps printed in newspapers. It is perfectly proper for me to bring to the attention of the Committee the motives of the Government in putting this piece of legislation before the Parliament, and that is exactly what I am doing. The motives of this Government are corrupt and those of a Government that is being used by a newspaper chain, and there can be no escaping that. Although the Premier is absent from the Chamber, I know that he is in the House, and I challenge him to deny the charges I am making. I suggest to him that he take this opportunity to deny that he has received representations from the *News* group in relation to this matter.

Representations have been made, and there is no doubt that the Government has caved in as part of the debt it feels it owes to the *News* group because of the support it received during the State election. I believe it is absolutely scurrilous that this legislation is being passed merely at the whim and fancy of Mr. Murdoch and his lieutenants, and I believe that many Government members, if they knew the full story, would be ashamed to be members of the Government and voting in support of this legislation.

**The Hon. JENNIFER ADAMSON:** The rantings and ravings of the member for Elizabeth seem to indicate that he and his colleagues are absolutely paranoid about newspapers, and the Murdoch Press in particular. They seem to have recollections of the last election that are so painful that they have completely distorted any kind of approach to the realities of life that they might be expected to take as responsible politicians. It is extraordinary that the member for Elizabeth should make totally wild and unfounded allegations of that nature. Let me refer him to the facts. The newspapers are treated especially because they are a mediun for all sorts of advertising, including trading stamps. We are merely allowing firms to use newspapers, and the Murdoch Press does not have the exclusive rights to all newspapers in South Australia: there are other newspapers in South Australia.

If this is a pay-off, perhaps the member for Elizabeth could explain why identical legislation exists in New South Wales. Is he supposing that his colleagues in the Labor Party in New South Wales had a similar reason to give a pay-off to the Murdoch Press? If he is, let me state categorically that absolutely no representations have been made to the department or to anyone, to my knowledge, by the Murdoch press or any other newspaper in respect to

this provision in the Bill. It is plain common sense to provide this, because a newspaper or magazine is a perfectly legitimate medium for advertising.

**The Hon. Peter Duncan:** It was not seen as common sense in the report that was prepared, was it?

**The Hon. JENNIFER ADAMSON:** As I said, that report was not undertaken under this Government. The Government does not regard that report as containing all of the recommendations as being realistic and appropriate to this situation.

**The Hon. Peter Duncan:** You said it was common sense to have it in this Bill.

**The CHAIRMAN:** Order! The member for Elizabeth has had an opportunity to speak.

**The Hon. JENNIFER ADAMSON:** I reject categorically the allegations made by the member for Elizabeth. If he wishes to go on and on—

*Mr. Trainer interjecting:*

**The CHAIRMAN:** Order! I warn the honourable member for Ascot Park.

**The Hon. JENNIFER ADAMSON:** I reject categorically the allegations made by the member for Elizabeth, and I stress that newspapers are treated specially, because they are a medium for all sorts of advertising. It is appropriate that they should be included in this provision, and the suggestions that the honourable member has made are completely unfounded.

Clause passed.

Clause 5—"Offences."

**The CHAIRMAN:** Order! If honourable members want to have a private conversation, I suggest that they leave the Chamber.

**Mr. HEMMINGS:** I am extremely gratefeul to the officers of the House who supplied members with copies of the Bill. Clause 5 deals with offences. I have not had the opportunity to consider the offences and what the Bill entails, so I move that progress be reported so that we can consider this matter.

**The CHAIRMAN:** Order! The honourable member is not in order. I point out that 15 minutes must elapse from the previous occasion on which he moved that progress be reported.

**The Hon. J. D. WRIGHT:** During the second reading debate, I asked the Minister whether she would inform the House about whence the demand came for this type of legislation. I said that I believed that the demand had come from big business as opposed to small business and the consumers. The Minister has made no attempt to this stage to provide information as to the source of the pressure that has forced the Government to introduce this Bill.

**The Hon. JENNIFER ADAMSON:** I am pleased to advise the Deputy Leader that the Department of Consumer Affairs receives a continuous stream of inquiries from consumers who want to know why consumers in South Australia do not have access to promotions that are available interstate, and I believe that that is the simple answer to the Deputy Leader's question.

**The Hon. R. G. PAYNE:** That answer certainly provided information that we did not previously have. I think the Minister said that the department receives a continuous stream of information from consumers.

**The Hon. Jennifer Adamson:** I said a demand, inquiries.

**The Hon. R. G. PAYNE:** How does one get a demand for an inquiry in writing?

**The Hon. Jennifer Adamson:** There is a constant stream of inquiries.

**The Hon. R. G. PAYNE:** We have got it right, and I am pleased about that. I would not want the Minister to be under any misapprehension. If what she says is so (and it seems that we have to be perfectly correct with tenses for the Minister's benefit), has any other form of approach been made to the department that was mentioned by the Minister in her response requiring, requesting or seeking legislation of the type before us, either as it is before us or contained within the legislation by way of individual clauses, and in particular the clause that we are now considering? I ask the Minister to give a considered reply, because I understood her to say, when we sorted out her previous answer (and she appeared to be under some misapprehension as to the answer, but I think we have it clear now) that there was a constant stream of persons in the community to whom she referred as "consumers".

**Mr. Mathwin:** You're just repeating—

**The CHAIRMAN:** Order! The member for Glenelg must not interject.

**The Hon. R. G. PAYNE:** I intended to conclude, but I could not get a hearing, and I thank you, Sir, for your help. I simply wish to ask the Minister whether, apart from the consumers (about whom she has already advised the House) who are making these incessant demands on the department for this legislation, any other form of approach was made to the department from persons other than those who would be described as "consumers".

**The Hon. JENNIFER ADAMSON:** Yes; small and large businesses have requested this legislation, as have consumers. Let me repeat quite plainly what I said earlier: the department has received a continuous stream of inquiries from consumers concerning why the many promotions available interstate are not available to South Australian residents.

Clause passed.

Remaining clauses (6 and 7) and title passed.

Bill read a third time and passed.

## METROPOLITAN MILK SUPPLY ACT AMENDMENT BILL

Returned from the Legislative Council with the following amendment:

Page 2, lines 9 and 10 (clause 2)—Leave out all words in these lines.

Consideration in Committee.

**The Hon. D. C. BROWN:** I move:

That the Legislative Council's amendment be agreed to.

I will explain why we are moving agreement to the amendment, which I specifically asked should be introduced into the other place. The amendment removes clause 2(8), which refers to the appeal to the Minister. Only five or six hours ago in this Chamber the Labor Party joined with the Liberal Party in opposing the member for Mitcham when he moved for the deletion of this provision. It is unfortunate that the member for Mitcham is not here to speak on this matter, although perhaps it is fortunate that he is not here to preach to us.

What the member for Mitcham did not realise, and what I, as Acting Minister, did not realise, and what I had not been told, was that there is already a right of appeal against a decision of the board. That right of appeal goes beyond the Minister to the Supreme Court. Section 35 of the principal Act provides:

(1) If a licence is refused, cancelled or suspended pursuant to this Act the licensee may, in accordance with rules of court, appeal to the Supreme Court against the refusal, cancellation or suspension.

(2) On every such appeal the Supreme Court shall have power to review the whole matter in issue and all circumstances relevant thereto and to make such order

thereon as it deems just.

With the right of appeal to the Supreme Court, obviously there is no necessity for a provision of appeal to the Minister or Ministerial approval of the board's decision.

**Mr. KENEALLY:** I am pleased to hear the Minister's explanation for the somersault that his Government has performed. We support the motion. We know that it is late in the session and that the hour is late, and confusion seems to reign supreme, but the Minister is in charge of the Bill. Perhaps his colleagues in another place were not prepared to entrust to the Minister of Agriculture have the power to require that appeals be made to him as to decisions made by the board. The Minister of Industrial Affairs, as Minister in charge of the Bill, should have been aware earlier of the points made by him. He was able to convince us with his eloquent defence of the Bill when the member for Mitcham moved his amendment earlier. The Minister, who professes to be the one Parliamentarian who is on top of his and other members' portfolios on all occasions, and who is never wrong, has egg on his face. It is as well that the member for Mitcham is not here to see the abject humiliation and embarrassment of the Minister.

I had intended to make a somewhat different speech, but I am not able to do that. We supported the Minister because of the eloquence of his contribution earlier in the debate, and we are supporting him now because he sees that the provision he wanted to oppose is already in the Bill.

**Mr. BLACKER:** I support the motion. Both major Parties can be wrong sometimes. I think probably we have all been wrong in not studying the Bill closely enough to know the full extent of the amendment, but the impact of the measure has been coloured by section 35. We were all thrown off by the inclusion of the new subsection (8) relating to the special Ministerial powers of direction. That has proved unnecessary. The Minister has always been a man of reason, and I give him full marks, because he agreed to allow my amendment to be introduced in the other place, although on further investigation it was found unnecessary. Had the member for Mitcham been here, he would really have made hay.

Motion carried.

## LICENSING ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 2 December. Page 2459.)

**Mr. McRAE (Playford):** I have not had a reasonable opportunity of considering this legislation, nor has the Opposition as a whole. Arrangements were made between the Parties as to the programme tonight and, if there have been difficulties with those arrangements, it is just not one side that is at fault. I seek leave to continue my remarks later.

**The SPEAKER:** Is leave granted?

**The Hon. Jennifer Adamson:** No.

**The SPEAKER:** Leave is not granted. The honourable member for Playford.

**Mr. McRAE:** In that case, obviously a considerable time of the House will be taken up, but so be it. The report indicates that the Bill makes several technical amendments to the Licensing Act to overcome problems that have arisen in the administration and enforcement of the Act which regulates the sale and supply of liquor in this State. The report goes on to deal with a situation that arose at Leigh Creek. This is the second of the misleading Bills introduced by the Hon. Mr. Burdett in the Upper House in the last day or two. Earlier yesterday, I complained about the machinations and the misleading observations of that Minister in relation to another Bill. It is perfectly clear that under the guise of trying to deal with a situation at Leigh Creek, in fact, the Hon. Mr. Burdett and this Government are intent upon giving more than favourable facilities to the Adelaide Hilton international hotel at Victoria Square.

**The Hon. Peter Duncan:** It's connived at misleading the Parliament.

**Mr. McRAE:** He has misled the Parliament by omission: that is the phrase I used earlier, and I adhere to that. The report continues:

> At present the Act specifically allows the Electricity Trust of South Australia to be granted a full publican's licence in respect of its mess and canteen facilities at the township of Leigh Creek. The canteen sells liquor and provides meals to employees of the trust and to visitors to the township, and provides an important social facility for that isolated community. The trust is establishing a new township at Leigh Creek South in association with the extension of its mining activities to that area. This Bill allows the trust also to be granted a full publican's licence in respect of facilities it provides in this new township.
>
> The trust wants to be able to make arrangements for an independent contractor to operate the kitchen facilities of the new canteen at Leigh Creek South, under which that contractor would share in the profits of the canteen's operations. The Act at present prohibits a licensee (in this case, the trust) from permitting an unlicensed person to share in such profits, or to have other interests in licensed premises. In addition, instances have arisen in the past of licensees who wish to enter into similar arrangements, and of persons who want to obtain a licence only on the basis of such arrangements, but who do not know for certain whether those arrangements are prohibited under the Act. In the case of persons wishing to apply for a licence, the only way to determine the matter is to apply to the court for a licence on the basis of the proposed arrangements (which can be a costly and time-consuming process) and to await the court's decision.

Indeed, so they should, because this is part of a whole racket organised by this Government to cater for its friends in the liquor industry. I am extremely unhappy about the whole snide way in which this deal is being worked out. We well know that in the case of Leigh Creek, it being an isolated community and a mining town, special arrangements may have to be made, but in no way could the Opposition countenance an arrragement under that guise, a change of the whole procedure of the Act so as to permit the contracting out of the catering facilities of hotels.

There can be no doubt that one of the greatest concerns of employees in the hotel industry is the permanency of their employment, and over the years, firstly as far as bar staff are concerned, those employees have had their employment casualised to an alarming extent. It is not fair on the employees that that should be the case. It is very clear that an extention of that casualisation is being attempted in other parts of the hotel. It has always been one of the philosophies of the Licensing Act in this State that people who have full publican's licences will not only provide liquor but also provide meals, and in many cases (unless such establishments have a tavern licence) they also provide accommodation.

It is extremely well known that the contractors in this State who deal in cleaning operations and also catering operations in many cases are scabs, a blight on the whole industry. They are quite prepared to undermine the whole stability which operates in the industry and to act in every way detrimentally to the interests of employees.

The Labor Party is, of course, a Party supported by and

finding its origins in the trade union movement, and we feel extremely concerned about the matter. I feel even more concerned about the matter because, after having reached specific understandings with the Government, and the Deputy Premier no less as to the Bills which would be dealt with tonight, I am now called upon to deal with such an important matter with so little notice because of the childish and churlish attitude of that Deputy Premier and his colleagues. I seek leave to continue my remarks.

**The SPEAKER:** The honourable member sought leave to continue his remarks less than 15 minutes ago, and Standing Orders quite clearly require that he may not seek leave to continue his remarks within that 15 minutes.

**The Hon. PETER DUNCAN:** On a point of order, Mr. Speaker. Which Standing Order provides for that, Sir?

**Mr. Mathwin:** You know it's true; they used to knock me back on the same thing.

**The SPEAKER:** Order! Standing Order No. 181 states:

> If a motion for the adjournment of the debate upon any question be negatived, or a member speaking to a question be refused leave to continue his remarks at a future time, a new motion for the adjournment of the debate or further request for leave to continue shall not be entertained within a quarter of an hour thereafter, except it be within a quarter of an hour before the time fixed for a suspension of the sitting of the House.

**The Hon. PETER DUNCAN:** I thank you, Mr. Speaker, for that very clear reading of the Standing Order.

**Mr. McRAE:** It is quite obvious that the Minister in charge of this Bill has an utter contempt not just for the Opposition, not just for me and not just for the Parliament, but for the workers in the industry. She has no concern whatsoever for their wellbeing, because she is not prepared, contrary to the clear arrangements entered into—

*Members interjecting:*

**Mr. McRAE:** I am finding it difficult, Sir, to speak amid the interjections. The honourable lady has no fair sense of responsibility for the employees in the industry. It is clear that, contrary to the clear arrangements made between the Opposition and the Deputy Premier, we are being dragooned into debating this Bill without proper notice and in a way that could prejudice the employees in the industry. When I asked for reasonable leave to investigate the matter, I was refused it. One can only wonder what the Government's motives are that lie behind it. I suspect that it is a childish way in which the Deputy Premier is retaliating against what he thinks was the Opposition's obstructionism or against something which the Opposition did but which he did not like and, therefore, he is putting us to the test. It is very unfair, when the employees are the ones who have to suffer.

**The SPEAKER:** Order! I ask the honourable member to come back to the clauses of the Bill.

**Mr. McRAE:** It is clear that the Minister is being recklessly irresponsible to the employees. She does not care whether or not they suffer. She is recklessly irresponsible to the industry. She does not care what goes on in the industry. In fact, I doubt whether she has much knowledge of the industry at all.

**Mr. Keneally:** What about the consumer?

**Mr. McRAE:** The consumer will suffer in the process. This Bill came from the Upper House in the first place which, I suppose in some sense, was a good place for it to originate. However, I must restrain myself, or I might be straying from the purposes of the Bill. We are told that the trust wants to be able to make arrangements for an independent contractor to operate the kitchen facilities at the new canteen at Leigh Creek South, under which the contractor would share in the profits of the canteen's operations. I do not know why they want to do that. Being a remote town, there may be good reasons, and we may find out when we exhaustively examine the clauses of the Bill.

If a person was applying for a publican's licence, there would be no reason why he could not carry out the full responsibility. I do not know why such an exemption should be given, even if it is a remote town. Certainly, I do not know why the Government is so intent on the next provision in the Bill, which provides that persons, whether licensed, applying for a licence, considering applying for a licence, or party to an agreement or arrangement with a licensed person or person applying for a licence may apply to the court for a ruling on whether those arrangements, whether existing or proposed, are or would be prohibited under the Act and, if so, the court is given a discretion by the Bill to approve them.

In other words, we want to give the court approval to condone scab labour in the liquor industry. I am totally opposed to that, and I am sure that my Party is, too. Over the years, I have appeared for the Liquor Trade Union on many occasions in relation to many disputes. It is a fine organisation, which looks after its members well and which does not take actions lightly that would be against the community interest. I know, as does the member, that, as soon as you introduce contracting out, you get scab labour and breaches of the award provisions; it is inevitable that you will.

We know that this Government has already introduced the scab labour principle and the contracting-out principle in hospitals, and that is no doubt another reason why the Minister has been handed this particularly shabby task tonight. I also believe that the Government is considering another scab labour proposal in the hospitals. So, I suppose it is reasonable that it looked at the liquor industry next to see whether it could help some of its mates. We are told that a different arrangement is prohibited under the Act. The court must take the drastic step of declaring the licencee's licence void or impose a relatively small fine of between $10 and $200.

I do not particularly care if they declare the licensee's licence void. Why should they not? I am in favour of stability in the industry and of employees receiving just wages for their work. I feel no sorrow for those people. I can think of examples over the years, but not the names. I know that in the building industry the situation is notorious. We had once fine Adelaide firms that employed their own tradesmen, paid the proper tradesmen rates and, as a result, got good employees and proper award conditions, and everyone benefited.

Over the years, the subcontract system was introduced, and no-one benefited. The Housing Trust, in particular, at one stage was very much at fault in entering into subcontracting arrangements. It was well known in the circles in which I was acting that these subcontract persons were engaging employees and flagrantly and continuously breaching the award. They were taking advantage of the difficult position in which the employee was placed. The whole matter was notorious and vicious. I hope that I do not have to say too much about cleaning contractors. It is self-evident. Instead of proper award conditions, you set up a slave labour market. I suspect that the same thing—

**The Hon. Jennifer Adamson:** What has that to do with licensing?

**Mr. McRAE:** I will take no notice of that breach of Standing Orders by the Minister.

**The SPEAKER:** Order! I ask the honourable member for Playford to address the Chair.

**Mr. McRAE:** The point that I made earlier still stands. This is a very childish attitude on the part of the Minister

and the Government. It is not deserving by the employees in the industry. I seek leave to continue my remarks later.

**The SPEAKER:** Order! Is leave granted?

**The Hon. Jennifer Adamson:** No.

**The SPEAKER:** Leave is not granted.

**Mr. McRAE:** The Minister appears to be stupid as well as stubborn.

**The SPEAKER:** Order!

**The Hon. JENNIFER ADAMSON:** On a point of order, Mr. Speaker, the member for Playford is casting on me aspersions that I think he should be asked to withdraw.

**The SPEAKER:** Order! I uphold the point of order, and ask the honourable member for Playford to withdraw the word that is offensive to the Minister.

**Mr. McRAE:** I defer to your ruling, Sir, and withdraw it absolutely. The Minister is being stubborn. I notice that section 192 of the Act—

**The SPEAKER:** Order! If the member for Mitchell was still in his place, I would have him withdraw that unparliamentary word, even though he used it when out of his place. I ask the honourable member to withdraw that unparliamentary language.

**The Hon. R. G. PAYNE:** Was it the word "bloody" or "well" that you wish me to withdraw?

**The SPEAKER:** Order! I ask the honourable member to withdraw the unparliamentary word that he just repeated.

**The Hon. R. G. PAYNE:** I withdraw any word that you find unparliamentary, Sir.

**The SPEAKER:** Order! I am not satisfied by the manner in which the honourable member is approaching this serious subject. I warn him that, unless the withdrawal is made with due dignity and decorum, I will not hesitate to name him.

**The Hon. R. G. PAYNE:** I am somewhat at a loss to understand how my decorum is in question. I have come to my place in the House after, perhaps, momentarily losing my head. I am standing here in a reasonable fashion. I have said that I will withdraw any word that you, Mr. Speaker, find unparliamentary, and I do not know what else I can do. If there is some other way, I will withdraw. Will that cover every situation?

**Mr. McRAE:** This is a disgraceful and sad occasion.

**Mr. Ashenden:** Who brought it on?

**Mr. McRAE:** I will not reply to that. There was a clear arrangement between the Parties as to the order of business; something has gone wrong, and I was not party to that. As a result, it is quite clear that the Government has determined that, as a way of punishment, this Bill will go through.

**The Hon. PETER DUNCAN:** Mr. Speaker, I draw your attention to the state of the House.

**The SPEAKER:** A quorum is present.

**Mr. McRAE:** Throughout the week I have honoured every arrangement that was made between the two Parties, and because of some minor incident that appears to have occurred in the past hour, about which I know nothing, I am suddenly put into a hopeless situation in relation to people who are entitled to proper representation. The Government, for some reason best known to itself—

**Mr. Gunn:** Do you remember how the previous Deputy Premier performed?

**Mr. McRAE:** I do not care how the previous Deputy Premier performed. I do not remember an occasion on which an arrangement that had been made between the two Parties—

**Mr. Gunn:** You have a very short memory indeed.

**Mr. McRAE:** I am not allowed to reply to interjections, but I cannot remember an occasion like this occurring in the past. It is disgraceful.

*Members interjecting:*

**The SPEAKER:** Order! The honourable member for Playford has the floor.

**Mr. McRAE:** I am not aware that any agreement has been broken. If some incident has occurred, it makes the whole thing even worse, because it means that the Government is acting with venom towards the Opposition and the whole Parliamentary system and is simply not prepared to conduct the debate in a due and proper fashion. The Opposition will be compelled to advise the employees and the employers in the industry of the circumstances of this ridiculous occurrence. I spoke to the Deputy Premier an hour ago, and at that stage all appeared to be going well, but, for some reason best known to him, he is determined to continue this ridiculous farce. The problem is not minor: it involves employees in an industry, and at a conservative estimate 10 000 people are involved. From there, it can spread to other industries.

The Opposition was not given proper notice of this Bill: I do not even have the original Licensing Act before me. I have a report that the Minister finally gave me, and I have the Hon. Mr. Bruce's speech made in the Upper House. Apart from that, no preparation has been done, and I am not in a position to proceed or to do any proper preparation. Six Bills were listed for today, and all of those matters were attended to, plus two others. One, at the request of the Chief Secretary, was put through all stages with the support of the Opposition, and an urgent matter concerning Riverland Products was acceded to by the Opposition at the request of the Premier during the day. Yet, when the Opposition makes a reasonable request for time to consider this Bill, it is refused, not once but twice.

I will be forced to start from scratch: I will have to refresh my knowledge of the Licensing Act and, having done that, I will refer to the awards that apply. Then I will consider the debate that took place in the Upper House. No doubt, gradually, the Opposition will be able to marshal its forces to do something about this matter. The situation is a disgrace. I do not even have a copy of the Bill.

**The Hon. Jennifer Adamson:** The Bill has been on file for hours.

*The Hon. D. O. Tonkin interjecting:*

**Mr. McRAE:** I was not in the House when that occurred.

**The Hon. Jennifer Adamson:** The Bill is No. 78 on the file.

**Mr. McRAE:** I was first involved with the Licensing Act in either 1966 or 1967, when I represented the Liquor Trades Union before the then Mr. Sangster, Q.C. (now Mr. Justice Sangster of the Supreme Court), and I recall that Dr. John Bray, Q.C., as he then was, represented the A.H.A. It has been a long time since I have been involved in a professonal inquiry into the Licensing Act. I remember the report of the Royal Commission. I again vigorously protest at the way in which the Government is behaving: the situation is absurd.

**The Hon. E. R. Goldsworthy:** At a quarter past 12 you told me that we would be through by 12.30, which was our agreement. You were still wasting time at 1.30.

**The SPEAKER:** Order! I ask the member for Playford to address himself to the Bill.

**Mr. McRAE:** I am finding it difficult to do so.

**The Hon. D. C. Brown:** Do you support it or not?

**Mr. McRAE:** I find it difficult to know whether or not I support the Bill, because I did not know that the Bill would be brought on. There had been an agreement worked out between the Parties. It is no good the Deputy Premier saying—

**The Hon. E. R. Goldsworthy:** Your word is not worth a crumpet.

**Mr. McRAE:** I take exception to that remark.

**The SPEAKER:** Order! I ask the Deputy Premier to stop interjecting. The member for Playford has the call.

**Mr. McRAE:** A point of order, Mr. Speaker. I take exception to the Deputy Premier's derogatory remarks.

**The SPEAKER:** The remarks being?

**Mr. McRAE:** Quite frankly, I think he called me a crumpet.

**The SPEAKER:** Order! I do not uphold the point of order. The word "crumpet" was not used against the honourable member specifically, but was a turn of phrase indicating that the undertaking was not worth a crumpet.

**Mr. McRAE:** I am glad that the members of the Liquor Trades Union are not here tonight to see the extraordinary performance that has gone on, ranging from vindictiveness, malice, childishness, and a total breakdown into hilarious laughter over the terms and conditions of their employment. I seek leave to continue my remarks later.

**The SPEAKER:** As has been indicated to the House, Standing Order 181 requires that such a request not be made in a lesser time than 15 minutes from the previous occasion. It was not 15 minutes, and I indicate to the honourable member for Playford that he may not entertain such a request again for at least 15 minutes from this time.

*Members interjecting:*

**The SPEAKER:** Order! The honourable member has asked for leave to continue his remarks. It is less than 15 minutes since he last made such a request. Having made the request on this occasion, it is now another 15 minutes before he is able to make a further request.

**Mr. McRAE:** On a point of order, Sir, under what Standing Order do you make that ruling?

**The SPEAKER:** I stand corrected in my interpretation of Standing Order 181. The Chair is unable to entertain a request, and the Chair does not accept the request. The honourable member may make a request some 15 minutes beyond 1·48 a.m.

**Mr. McRAE:** I seek leave to continue my remarks later.

Leave granted; debate adjourned.

## RACING ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

## ADJOURNMENT

At 2.5 a.m. the House adjourned until Thursday 4 December at 2 p.m.