HOUSE OF ASSEMBLY

Thursday 26 February 1987

The SPEAKER (Hon. J.P. Trainer) took the Chair at 11 a.m. and read prayers.

LOW INCOME EARNERS

Ms LENEHAN (Mawson): I move:

That this Parliament congratulates the Government, and in particular the Minister of Housing and Construction and the Minister of Health and Community Welfare, for the initiatives and programs implemented to support low income earners and those in receipt of pensions and benefits.

I refer to those groups and individuals who live below the poverty line and who can be described as disadvantaged. Before outlining the many initiatives and programs which have been introduced by the Bannon Government to alleviate the plight of these groups, it is important and relevant to provide background information to clearly establish the poverty levels in this country and why it is so necessary to implement these programs.

It is estimated that in Australia over 700 000 households (in excess of 2 000 000 people) live below the poverty line after paying their housing costs. The poverty line for various household types has been calculated by the Institute of Applied Economic and Social Research, and I refer to statistics from May 1986. First, I refer to households which are not in the work force. Using various household groups, from a single person to a couple with two children, a comparison of their income (from either a pension or a benefit) with the 1986 poverty line indicates that the recipients in every category are below the poverty line. I seek leave to insert in *Hansard* a statistical table outlining these groups and their pension or benefit levels in relation to the poverty line.

The SPEAKER: Do I have the usual assurance from the honourable member?

Ms LENEHAN: Yes, Mr Speaker.

Leave granted.

COMPARISON OF INCOMES WITH POVERTY LINE

	Unemployed *(a)*	Pension *(a)*	Poverty Line	Difference U/B	Difference Pens
Single Person	105.40	117.10	118.70	−13.30	−1.60
Single Person and 1 child	143.35	150.35	160.20	−16.80	−9.85
Single Person and 2 children	168.85	173.85	199.80	−30.95	−25.95
Married Couple	180.30	185.30	168.20	−12.10	−17.10
Couple and 1 child	201.55	206.55	207.70	−6.15	−1.15
Couple and 2 children	225.05	230.05	247.30	−22.25	−17.25

(a) Includes Family Allowance, Family Income Supplement and Supplementary Rent Assistance (where relevant).

Ms LENEHAN: The table shows that the group worst off comprises the single person with two children and, to support that, I quote the statistical information, as follows:

A single person with two children who is in receipt of unemployment benefits receives approximately $168.85 or, if they are on a pension, $173.85. The estimated poverty line in May 1986 was $199.80 for this group.

This means that the difference—in other words, the amount that these groups are below the poverty line—is, in the case of the recipients of unemployment benefits, almost $31 and, in the case of recipients of pensions, almost $26.

The next most disadvantaged group comprises couples with two children who receive either $225 or, if they are in receipt of a pension, $230. The estimated poverty line for this family unit is $247.30. This puts a family with two children $22.25 under the poverty line if they are unemployed or, if they are in receipt of a pension, $17.25. While these may seem just statistical numbers, how many members of this House could support two children on an income which means that each week they were from $20 to $22 below the poverty line? I suspect that none of us would survive.

The second group that is also experiencing hardship comprises low income households. This group is hard to statistically isolate and quantify and has been variously described as the new poor and the hidden poor. They are to be found in new home owner areas, struggling to pay high mortgages and to make ends meet and support young families. They are also to be found in the private rental market paying a large proportion of their income in private rent.

I now wish to elaborate on the degree of poverty in the private rental market. The incidence of housing related poverty is predominately found in the private rental market. It has been estimated that weekly rentals average $109 for houses and $77 for flats. It is my experience, as a member for a southern electorate, that those average rentals are much higher than the calculated statistical figure and few people in my electorate can rent a three bedroom house for $109—it is more like $120 on average.

Evidence of the need to assist households in poverty seeking private rental accommodation can be seen most easily from the Emergency Housing Office statistics. I seek leave to insert in *Hansard* a table illustrating the level of assistance provided to households seeking assistance from the Emergency Housing Office.

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

Ms LENEHAN: Mr Speaker, I can give that assurance.

Leave granted.

EMERGENCY HOUSING OFFICE: LEVEL OF ASSISTANCE

	1983-84	1984-85	1985-86
Households seeking assistance	11 327	14 826	24 271
Households granted bond assistance	3 800	5 475	7 550
Average value of bonds	(approx.) $204	$240	$251
Households granted other financial assistance	1 724	3 547	4 867
Average value of 'other assistance'	(approx.) $70	$92	$92

Ms LENEHAN: In 1983-84, 11 327 households sought assistance through the Emergency Housing Office. In 1985-86 that number had risen to 24 271. It is also significant that households granted bond assistance had almost doubled from 3 800 in 1983-84 to 7 550 in 1985-86. Some households also needed to be granted other financial assistance in 1985-86, and 4 867 households in this State were granted an average of $92.

Other evidence of the inability of many households to afford to purchase or rent privately is apparent from the increase in applications for housing rental accommodation, despite the Housing Trust's (I believe) very creditable record in housing ever increasing numbers of new tenants. The trust, in 1985-86, received 17 487 applications but was able to grant only 7 816 of those applications. I hope that I have set the scene in relation to the situation facing those groups and individuals in our community who can be described as the poor, the new poor and the hidden poor. What measures has the State Government then taken to help alleviate the situation that is facing those groups, those in employment with low incomes and those who are not employed or are in receipt of a pension or benefit?

Today I want to look specifically at the responses of the Ministry of Housing and, in so doing, I want to congratulate the Minister of Housing and Construction on his sincerity, dedication and performance in the area of providing housing for the people of this State.

The State Government has implemented a number of schemes that are designed to assist low income earners to meet their housing requirements. First, we have had the Home Ownership Made Easier Scheme where low income earners may be eligible for loans at concessional interest rates. This scheme was launched by the Minister of Housing and Construction in October 1983 and has successfully assisted thousands of households into home ownership. I seek leave to incorporate in *Hansard* a statistical table outlining the various applications from 1983 to the last financial year.

The SPEAKER: Does the honourable member assure the Chair that it is of a purely statistical nature?

Ms LENEHAN: Yes, Mr Speaker.

Leave granted.

HOME OWNERSHIP MADE EASIER SCHEME

	1983-84	1984-85	1985-86
Waiting list	6 629	1 920	1 932
Loans approved	2 385	2 570	2 306
Average value of loans (6 months to 30 June)	$34 700	$35 600	$42 500
Average interest rate (at 30 June)	8.6%	9.1%	9.3%

Ms LENEHAN: Other households seeking home ownership can also apply under the Home Rental Purchase Scheme, which is jointly operated by the State Bank and the Housing Trust. This rental scheme has had applications over the three-year period and has granted approvals in that period; in fact, in 1985-86 there were 542 applications and 301 approvals.

Another scheme which was commenced in August 1982 was the Mortgage Relief Scheme. In the three-year period there has been an increase in applications from 586 in 1983-84 to 856 in 1985-86, and there has been an increase from 423 recipients in 1983-84 to 623 in the last financial year. The average value of assistance has increased from $22.90 per week in 1983-84 to $25 per week in 1985-86. In March 1986 the State Government, in response to the changing economic situation, introduced the Interest Rate Protection Plan. The first three months of the scheme saw 27 families apply for assistance, with 14 in receipt of the benefits from this scheme at 30 June 1986. Numerous households applying for interest rate protection have been found to be eligible for mortgage relief.

I would like briefly to turn to the area of private rental assistance. Apart from the facilities provided by the Emergency Housing Office (and I intend to deal with that at a later date and as a separate issue) private tenants may seek assistance from the Housing Trust via the Rent Relief Scheme. Eligible households may receive up to $25 a week towards their rental payments, and that is a very significant contribution by this Government. I would like also to point out to the House that other States do not have such a scheme. If the poor in Queensland cannot afford to pay for their house rental, they are not entitled to any such rent relief scheme. As I understand it, this is the only State in Australia which provides for this kind of rent and mortgage relief for people who literally cannot afford a roof over their heads. This is something which every member of this Parliament must support and of which we must be justifiably proud.

Mr S.J. Baker interjecting:

Ms LENEHAN: It is very interesting that the member for Mitcham is so insensitive to the plight of the poor in this State that he would make such a derogatory comment. It is a sad indictment on the honourable member and on his Party that he has so little compassion for the poor, the underprivileged and the disadvantaged in this community that he could not care less that they may be living in poverty and may be unable to afford housing, food and clothing for their families.

The applications for rent relief in 1983 numbered 8 800, and that had increased to 12 209 in 1985-86. In fact, in 1985-86 a total of 8 404 households (not individuals) had been assisted through the Rent Relief Scheme. At a future time, because I am mindful that other private members may want to speak to their motions, I want to outline the role, function and initiatives of the Bannon Government with respect to the Emergency Housing Office, to the Housing Cooperative Program, the youth housing inquiry, and to the commitment of this Government to the International Year of Shelter for the Homeless.

I want also to discuss some of the initiatives in conjunction with local government and the Community Housing Program. I want, too, to discuss the Crisis Accommodation Program, as well as the Disabled Persons Housing Project. Also, I will be turning my attention to the areas in community welfare and in health where this Government has provided enormous support for those people who are in receipt of low income and who are on pensions and benefits. Therefore, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

TAX PROPOSALS

Mr RANN (Briggs): I move:

That this House, in the interests of the vast majority of South Australians, rejects the consumption tax proposed by the Liberal partners in the Federal Coalition with the support of the South Australian Opposition Leader and rejects the flat tax proposed by Sir Joh Bjelke-Peterson.

Last week I challenged the Leader of the Opposition to publicly reply to a series of questions. I asked him whether he supported or opposed John Howard's consumption tax.

Members interjecting:

The DEPUTY SPEAKER: Order! I ask the honourable member to resume his seat. I ask members to have the courtesy to listen to the speaker in reasonable silence. It has

been my policy to allow reasonable interjection but, when one side of the House starts shouting down the other and the person who is speaking, the House in total would find that objectionable. I hope that we can get through this debate with the normal decorum.

Mr RANN: I will endeavour to assist the maintenance of that decorum.

Mr S.J. BAKER: I rise on a point of order. Is the member for Briggs capable of delivering a speech to this House without copious notes?

The DEPUTY SPEAKER: Order! The question is out of order unless the honourable member is taking a particular point of order. Is the honourable member doing that?

Mr S.J. BAKER: Yes.

The DEPUTY SPEAKER: It has been my observation when sitting in the Chair that members on both sides of the House have used copious notes from time to time. This has drawn some tolerance from every person who has been sitting in the Chair. At this stage I am not prepared to uphold the point of order.

Mr RANN: Thank you, Mr Deputy Speaker. I asked the Leader of the Opposition (Mr Olsen) a series of questions. I asked him—and so far he has refused to reply—first, whether he would support the consumption tax proposed by the Federal Leader of the Opposition (Mr Howard); I asked him whether he would support the flat tax proposals of Sir Joh Bjelke-Petersen; I asked him whether he would support Sir Joh or Ian Sinclair to lead the National Party; I asked him whether he would support Andrew Peacock or John Howard to lead the Liberal Party; and I asked him whether he thought that Sir Joh should lead the Federal coalition. For once, the Leader of the Opposition was entirely consistent: he declined to answer every single question put to him. I do not blame him. He is doing the same with journalists. He is obviously very nervous about becoming embroiled in his Federal Party's current tax debacles. He knows that his comments will come back to haunt him and further erode his position as Leader of the State Liberal Party.

The Leader of the Opposition cannot run and hide. Surely, as Leader of the Liberal Party in this State he must show some leadership on issues of importance to South Australia. The Liberals' other choice, Dean Brown, did not make it because the member for Davenport knocked him off, and consequently members opposite are stuck with their Leader. But members opposite want him to show leadership—they keep saying so in the bar. So, I urge members opposite to answer those questions, and that is why I have moved this resolution, calling on the House to reject John Howard's consumption tax and Sir Joh's flat tax, in the interests of the vast majority of South Australians. It will be interesting to see how members opposite vote on this motion. It will be fascinating to see how their Leader responds to this motion; at least we will know where he and other members opposite stand. These tax policies would be disastrous for South Australians and for the maintenance of essential community services, so it is absurd for the Leader of the Opposition to tell journalists that these Federal tax matters are none of his business.

I turn first to Sir Joh's flat tax. A flat tax obviously appeals to those in our community who believe in simplistic solutions, a quick fix, to complicated Federal problems. A flat tax of the type being pushed by Sir Joh would disadvantage the vast majority of South Australians and Australians. I have no hesitation whatsoever in totally agreeing with comments made by the Chief Economist of the Australian Chamber of Commerce, Mr Davis, that Mr and Mrs Joe Average on $22 000 a year would be worse off under Sir Joh's flat tax. After all, a flat tax would reduce public expenditure, cause fierce cuts in health, education and welfare and increase the gap between the rich and the poor. It will also increase the handicaps associated with being unemployed and fuel social and political divisions.

The 25 per cent flat tax being proposed by the Queensland Premier would reduce Government revenue by $8.5 billion. Sir Joh says that that does not matter; he says, 'Don't you worry about it. I am going down this track and you don't have to worry about that $8.5 billion. We won't need it.' Apparently he will take on the Federal bureaucracy and will make up the difference of $8.5 billion by slashing these pencil pushers and the fat cats. But there is a slight problem with that equation, because $5.3 billion is the total expenditure on the Federal bureaucracy, so let him tell us which jobs he is going to cut; let him tell us which services he is going to cut. Perhaps he will cut defence: $8.5 billion is the shortfall in revenue, and $7.4 billion is our total defence budget. I am saying to the Leader of the Opposition in this State that he must let us know where he and the Opposition stand on the issue of flat tax.

Of course, there is also a certain phoniness in Sir Joh's proposals about cutting the Federal bureaucracy, because, after all, it is the same Queensland Premier who has presided over the highest increase in the number of State public servants of any State in this country—at twice the growth rate of the Commonwealth bureaucracy. When Sir Joh is asked how he would pay for tax cuts he says that it is as simple as falling off a log. If it is that simple, let him come out and, as the member for Todd said, break a leg on each of the items.

Ms Gayler: Let him do it in Queensland first.

Mr RANN: Yes, let him do it in Queensland first. The simple truth is that if a flat tax rate is set low enough to have little impact on the poor it will simply not raise enough money even to sustain the most basic essential services. If a flat tax is set high enough to raise the necessary revenue to pay for Government services then the tax will fall most heavily on those least able to pay while the rich will do very well indeed. That is why flat taxes appeal to the greediest nerve in our community.

The rural community should also place Sir Joh's flat tax under scrutiny. The most recent farm figures show that the average farm income in Australia is only $16 000. The member for Light knows that these figures are accurate, yet even the figures put out by the Federal Opposition show that only those people earning over $27 000 a year would benefit from Joh's flat tax. In summary, I acknowledge that a simplistic flat tax has obviously wide electoral appeal to those who know nothing about taxation and fiscal measures—until one does the sums and discovers that 80 per cent will miss out and be worse off under the flat tax option.

I am interested to hear that members opposite are disagreeing with me; because I am supporting the comments of Malcolm Fraser, John Howard, Carlton, Keating and Steele Hall. To bring down taxation to the level demanded by Sir Joh would not only massively increase poverty in this country; it would not only increase the problems associated with being homeless or the problems connected with being a solo parent; and it would not only be the rural core that would be affected; because the flat tax would savagely damage the middle classes in this country who have come to expect benefits. It would mean doing away with the sort of Government subsidies that underpin private superannuation, private health cover and private schools. Are you prepared to go out and help Joh sell those policies and wear the political flak?

I was interested to read this morning that one of the world's most eminent economists, John Kenneth Galbraith,

is quoted as saying that the US is now rejecting flat tax proposals. I will quote directly Mr Galbraith, as follows:

> The cover story for a flat tax is that somehow or other by some excuse or other we say that the rich are not working because they have too little money and the poor are not working because they have too much.

He said that the Reagan tax cuts, which have been touted by John Howard as a model, were just a cover for helping the rich. He further states:

> We cannot see any solutions to our problems in major tax reductions for the rich when we hear advocates of the need to restore incentives. Let's all be aware that there is someone out there who is using incentive—

or perhaps incentivation—

as a cover for more income for himself.

I urge members opposite to reject John Howard's precious consumption tax. I am aware that the State Leader of the Opposition will find it hard to dump his Federal Leader on the consumption tax issue. After all, on 4 June 1985 he issued a press release, of which I have a copy, stating that he strongly supported the introduction of a broadly based consumption tax.

Last October the State Leader of the Opposition suggested that the imposition of an excise tax or consumption tax was desirable, yet last week our brave Leader of the Opposition—up there at the moment practising his well modulated radio voice, practising to say, 'Goodness gracious, I will go down this track'—refused to comment on whether he supported a consumption tax. He did not have the guts to say whether he supported a consumption tax and stated, 'It is a matter to be determined by the Federal Liberal Party.' That is the courage of our Leader of the Opposition. He said it very well and said it dripping with sincerity. The simple truth is that John Howard's draft tax policy does not add up. The Liberals have promised lower income tax rates which will cost Australia $6 650 million in lost revenue, with a further $2 220 million forgone by cutting company taxes.

But Mr Howard, of course, has made a series of other tax promises costing about $3 340 million, including income splitting for families, repeal of the lump sum superannuation tax and a string of various minor tax cuts and rebates. Mr Howard estimates that the Opposition's 8 per cent consumption tax will raise around $3 800 million. That would reduce the Opposition's revenue gap to $10 900 million but, if Mr Sinclair and the Nationals (and some of the members opposite, obviously) sink Mr Howard's plans for a consumption tax, there will be a $14 billion revenue shortfall. Again, I ask the Liberals to tell us which services will be cut. Will they hit our vital defence forces? Will they hit education? Will they hit social security or health? Perhaps Mr Olsen can tell us. Perhaps Mr Olsen wants them to cut the submarine project. Certainly, after statements made in this House yesterday it seems that the Opposition is as down on that as it is on the Grand Prix.

The SPEAKER: Order! The honourable member for Briggs should be aware that he should refer to the honourable Leader of the Opposition by that title.

Mr RANN: Thank you. It is not just Sir Joh or Ian Sinclair who is panning Mr Howard's consumption tax: talk to any sensible businessman and he will tell you that he fears the inflationary effect of the new consumption tax in this economic climate. Businessmen's fears are justified, because a Howard-style consumption tax which would not be discounted from wages—and that is the key—could blow out inflation and, with it, any hope of long-term recovery.

The member for Bragg, with his experience in the finances of the Salisbury Football Club, will well know that it is impossible for this Federal coalition to achieve wage discounting as part of its tax package. Small business, of course, would be the first to suffer, as he would well know, from any significant switch from income tax to consumption tax, because of the inflationary impact. The nervous twitch of the Federal and State Liberals, as we have seen today on consumption tax, is quite obviously visible. The Party's tax spokesman, South Australia's very own lightweight, Tony Messner, recently declared:

> Reports of a consumption tax in the Howard tax package are incorrect.

This was a shock to his senior colleagues who, only the week before, had been considering the Howard-Messner tax package with consumption tax as the number one item—so who are they trying to kid?

Members of the Liberal Party's rural committee last week also expressed concern at the prospects of a consumption tax. This commitee expressed its concern that Senator Messner had included a consumption tax in the Howard tax package, because many farmers on low taxable incomes may have to pay the tax without greatly benefiting from the tax cuts being offered in exchange. The consumption tax issue has served to inflame not just the divisions between the National Party and the Liberal Party federally, but it has also divided the leadership of both Parties from their backbenchers. That has been quite obvious from listening to the statements of Mr Steele Hall and Mr Ian Cameron. At least Tasmanian Liberal Michael Hodgman has had the guts to take his Federal Leader to task on the consumption tax issue by questioning his costings and his rubbery figures. We can see that the Federal coalition is in turmoil over its tax policies: the very issue on which Mr Howard said that he would run the election campaign, that he would fight the election campaign, and that he said would win the election campaign.

Mr Howard keeps telling Australians and the Liberal Party that his Party will not be dictated to from outside but, by saying that he is prepared to compromise, to negotiate on consumption tax, he is in fact responding to the policy demands that Sir Joh Bjelke-Petersen is putting out through the media and through the back door through the National Party caucus, from the quislings of Ian Sinclair who support it. By opposing Sir Joh but then responding and, ultimately, conceding to him, John Howard is putting himself in an untenable leadership position. The reality is that, if the National Party, with or without Ian Sinclair, comes out and rejects a consumption tax, the Federal coalition is a dead duck.

Members opposite do not have to be told by me that Mr Howard is adrift, tactically confused and that his leadership is in peril. I am not surprised to hear that various South Australian MHRs and Senators from the Liberal Party have in the last few days been telling every journo who will listen that Mr Andrew Peacock has the numbers when he wants to move.

In recent days, other aspects of John Howard's tax package have begun to fall apart. He now admits that a coalition Government would have to have a mini budget within six months to consider a tax reform package. He now says that he will not cut income tax until economic circumstances permit. He now says that he has not in fact committed a coalition Government to actually bringing down tax cuts. That is news to all of us who read those ads. He says, 'We are not committed to tax cuts; we are committed only to tax reform.' He is now trying to slide out of his concrete commitments on tax. He heads towards an election campaign promising lower taxes but without actually promising to deliver those lower taxes. That is why earlier this week he was forced by his colleagues to issue a series of clarifying

statements throughout the afternoon when he said that he was committed to tax reform and not tax cuts, and of course his colleagues are saying that Mr Howard has already discarded commitments to introduce income splitting for taxation purposes and rebates for child care.

People should not be at all surprised at John Howard's problems on tax, economic or fiscal matters. Mr Howard, after all, was the Treasurer who had the chance to remodel Australia during years of buoyant commodity prices and during a time when there were new revenues from Bass Strait. However, as Treasurer he was quite prepared to let the 1981-82 current account deficit reach 6 per cent of the gross domestic product. Farmers under the Conservatives were robbed during the 1970s of decent prices by an overvalued Australian dollar, whilst the absence of a wages policy contributed to higher inflation and higher unemployment.

So, John Howard, the economic wizard of the Liberal Party, is really just a sorcerer's apprentice. Mr Howard must be told by members opposite that spending cannot be cut to finance tax cuts and just leave the deficit where it stands. Deficits do not reduce the need for taxation: they simply defer it. Sir Joh and John Howard are neck and neck in the economic incredibility stakes. I hope for Mr Howard's sake that his counting of numbers in his Federal Caucus is a bit better than the sums he did in his Federal taxation package. He will learn the hard way that in these economic times he cannot propose the easy route to tax reform and promise cuts that would add to the deficit. That would not be reform, honourable members, that would be economic vandalism.

The SPEAKER: The honourable member in his concluding remarks should have directed his comments to the Speaker and not to honourable members.

The Hon. JENNIFER CASHMORE (Coles): What an amazing and pathetic performance for a member who claims to have some economic knowledge to present a totally distorted view of the Australian economy and of the taxation issue in the manner which—

Members interjecting:

The SPEAKER: Order! The member for Coles has the floor, not the Deputy Leader of the Opposition or the member for Briggs.

The Hon. JENNIFER CASHMORE: Thank you, Mr Speaker. It was quite breathtaking to hear the member for Briggs refer to the interests of the vast majority of South Australians, directly after his colleague, the member for Mawson, had spent 15 minutes enumerating the tragedy and trauma being suffered by South Australians and Australians under Federal and State Labor Governments. The hypocrisy of the member's speech was really quite unprecedented, I would say.

There is no need for anyone on this side of the House to respond to any statements about flat tax. Flat tax has never been a policy of the Liberal Party: it has been totally rejected by the Federal Leader of the Liberal Party, who has acknowledged it as a completely simplistic solution. Any of the honourable member's arguments about flat tax—

Mr Rann interjecting:

The SPEAKER: Order! The honourable member for Briggs will have to try to restrain himself from interjecting.

The Hon. JENNIFER CASHMORE: —are simply not relevant. The honourable member knows that they are not relevant, and his purpose in bringing them into the debate has nothing whatsoever to do with the economy, taxation or finance. My Leader's attitude to the consumption tax, in terms of the selectively quoted comments which the member for Briggs made, was set down in a press statement dated 4 June 1985 in which he said that he strongly supported the introduction of a broadly based consumption tax to finance significant reductions in personal income tax. He went on to say:

> I have consistently supported this as the essential basis of tax reform at the national level. However, I am opposed to the White Paper's proposal for a capital gains tax, which will hit all sections of the community.

He said, further, on 28 June:

> I support a gradual and predictable broadening of the indirect tax base to allow cuts in personal income tax, but Government spending also must be reduced to avoid the need for any new capital gains taxes, death duties and gift duties.

It is absolutely incredible that the member for Briggs is attempting to hammer the Leader around the ears on the question of a consumption tax.

Members interjecting:

The SPEAKER: Order! At the moment the Chair should be listening to a monologue from the honourable member for Coles and not a dialogue between the Deputy Leader and the honourable member for Briggs. The honourable member for Coles.

The Hon. JENNIFER CASHMORE: Thank you, Mr Speaker. The member for Briggs has an extraordinarily short memory. He speaks of a consumption tax, a tax advocated by the Federal Treasurer—whom the member for Briggs supports—less than two years ago. It was Mr Keating who stomped around the country before the Federal tax summit doing his darnedest to convince this country that a consumption tax was needed. He barnstormed before the 1985 taxation summit: this is the tax, and the Treasurer, which members opposite said at the time they fully supported. As I propose to amend this motion, I move:

> Delete all words after 'House' and insert the following:
> noting the particular impact on the South Australian economy of the fringe benefits tax, the tax on entertainment and the wine tax, urges their repeal in the May Federal mini-budget.

The motion moved by the member for Briggs was high on humbug, low on logic and absolutely stunning in its cynicism.

Members interjecting:

The SPEAKER: Order! Has the honourable member a seconder?

The Hon. E.R. GOLDSWORTHY: My word!

The SPEAKER: Will the honourable member present her amendment to the Chair in writing?

The Hon. JENNIFER CASHMORE: Yes, Mr Speaker. The member for Briggs supports a Federal Treasurer who has given Australians the highest interest rates on record, the lowest value of our currency on record, the highest levels of taxation on record, the highest levels of sustained unemployment on record and the highest current account deficit on record: those facts are indisputable. Mr Keating has brought national and regional economies to their knees and anyone who doubts that should simply read pages 1 and 2 and other pages of today's *Advertiser* which outline the utter tragedy that is making grown men cry in parts of this State. It is interest rates that have been built up by the Canberra colleagues of the member for Briggs which have brought us to this stage.

The member for Briggs, interestingly enough, represents an electorate which has been hit harder than most by the Federal Treasurer's high tax and high interest rate policies. He represents an electorate which depends largely on the health of the motor industry for the prosperity of his constituents. That industry has been absolutely devastated by the fringe benefits tax, and the member for Briggs knows it. There is no answer that any member on the other side of the House can give to the devastating effect that the

fringe benefits tax has had on South Australia and, in particular, on the electorates of some members opposite.

The Hon. B.C. Eastick: Inspired by the Labor Party.

The Hon. JENNIFER CASHMORE: Indeed. The daily rate of motor vehicle registrations, which should have been an item of interest to the member for Briggs, has dropped to 107. Less than two years ago it was 157 a day, which is 50 registrations more. What has happened since the fringe benefits tax? It is the most depressed period in memory in the history of the motor vehicle industry, but does the member for Briggs put forward a motion that concerns the prosperity, the families, the children and the future of his constituents? No, he does not! His motion is designed not to advance the interests of the electorate of Briggs but, rather, to advance the interests of the member for Briggs.

This motion is actually a curtain raiser for the main event, and the main event is the fact that the backbenchers in the Labor Party are becoming increasingly restive and frustrated about the notable failures in the Ministry. The member for Briggs hopes to demonstrate to his colleagues that he is the one who has the capacity to replace one of the duds who at present sit on the front bench, so he is trying to impress his colleagues with a performance. He just pipped the member for Fisher at the post. The member for Fisher got in a day late with his motion relating to the Federal scene. The member for Briggs was first in, and he hopes to impress his colleagues. The Minister of Labour badly wants to be Deputy Premier. When that occurs, that will cause the whole pack of cards to fall, and that means that the Minister of Lands is likely to go, the Minister of Mines and Energy will retire—

Members interjecting:

The Hon. JENNIFER CASHMORE: Look at those anxious to replace them!

The SPEAKER: Order! This is all highly entertaining, but the Chair is under the impression that it is not strictly relevant to the amendment proposed by the honourable member for Coles.

The Hon. JENNIFER CASHMORE: If you allow me to link up my remarks, Mr Speaker, I am sure that I can demonstrate that these things are very relevant indeed to the amendment.

Members interjecting:

The Hon. JENNIFER CASHMORE: Only members opposite can tell us when the big push is coming. All we know is that the member for Briggs wants to be first in at the push, and the member for Fisher is not far behind. I issue a warning to the colleagues of the member for Briggs: in the past he has shown that he is not to be trusted. Most members will recall that, when he was the Premier's Press Secretary, he stamped as confidential a report which had already been made public. He removed the final pages of that report and, in doing so, he gave it a completely different meaning. He tried to sell the report as an indictment of Roxby Downs. The member for Briggs was nearly hauled before the AJA Ethics Committee for that little peccadillo. Members should be very wary of those who cannot be trusted.

Of course, the member for Briggs also wants to hold off the member for Hartley. It has always intrigued me that the ALP likes to keep its brains on the back bench and its bodies on the front bench, and that is what is happening at the moment. If we are looking at merit, surely the member for Hartley would be first, but we are not looking at merit: we are looking at numbers.

The SPEAKER: Order! The honourable member for Coles two or three minutes ago referred to her interest in what she called the main event. At the moment she seems to be dealing with a lot of sideshows which do not seem to be relevant to the amendment which the Chair has not yet seen in writing.

The Hon. JENNIFER CASHMORE: There is a shooting gallery in the sideshows and somebody who has the gun is trying to pick off those on the front bench.

An honourable member interjecting:

The Hon. JENNIFER CASHMORE: I am very sincere about this. I am demonstrating that the member for Briggs' motion simply cannot be taken seriously, and I believe that he himself demonstrated that fact quite ably. He dealt with matters which are not the province of this Parliament and which are not relevant to the Liberal Party; in other words, he dealt with issues that he believes will be popular with his colleagues. His colleagues are responding to this. As I said, the member for Hartley should be in the front running. I think that some of the women in the Labor Party in the House of Assembly also should be in the front running. Two of them have far more up top than most of their colleagues.

Members interjecting:

The SPEAKER: Order! The honourable member for Coles seems to have difficulty walking the tightrope between those matters that are relevant to her amendment and those matters that are not.

Mr Gregory interjecting:

The SPEAKER: Order! The honourable member for Florey is interjecting from other than his usual seat, which makes his interjection doubly out of order.

The Hon. JENNIFER CASHMORE: I have heard it said that, if some of the men on the front bench were women, they would not get a job on a check-out counter. The colleagues of the member for Briggs should look at their female colleagues rather than at him. However, that is somewhat beside the point. The motion moved by the member for Briggs is not about tax. It is not about the Australian economy. It is about the ambitions of the member for Briggs to get into Cabinet. The motion suggests that pressure should be put on Federal MPs.

Before we criticise Federal MPs for their alleged lack of influence, I suggest that the member for Briggs look at the record of his own Party Leader. It was the Premier, after all, who failed to have his nominees appointed to the two ALP vacancies in the Upper House. It was the Premier who deliberately withheld public notification of Mr Chatterton's resignation in the hope that he could get his person up as a replacement. The Premier has also failed on fringe benefits tax, wine tax and the tax on entertainment. These are the subjects of the amendment. The Premier has failed, on behalf of South Australia, to have these taxes either modified or, preferably, eliminated. It is to those taxes that members opposite should be directing their attention. It is those taxes that are crippling this State. It is high interest rates that are destroying the lives and the livelihoods not only of farmers on Eyre Peninsula but of those people to whom the member for Mawson referred who are desperately struggling to keep some kind of roof over their heads and to put food on their plates and on those of their children.

These are the issues. South Australia's interests are the issues. We should put this tax debate into perspective. Members opposite are now discredited totally when they talk about tax. They have had four years to put their policies into place and their policies are tax, tax, tax; and spend, spend, spend. The ALP has certainly misrepresented the attentions of those who are determined to lower tax in a credible, responsible way, and John Howard has a credible and responsible alternative to what is being trumpeted in Canberra as what is good for this country. It is no more

good for this country than the member for Briggs is for the Cabinet of South Australia.

If members refuse to support the amendment, they will be supporting more of the same. They will be supporting more tax, more Government regulation and more Government interference. People are finding it increasingly impossible to pay more tax, higher interest rates and prices that have increased because of inflation, and each of those three things—tax, interest rates and inflationary prices—is caused by one thing: Government greed. The Hawke and Bannon Governments have demonstrated that they are greedier than any Governments in this nation and this State in living memory. We are in a critical period; yet the member for Briggs has chosen to debase the whole economic and political argument by putting up a motion which has no relevance whatsoever, either to his electorate or to the State at large, and which does him no credit. I believe that his colleagues will see it for what it is: a very shallow sham.

Ms GAYLER (Newland): I support the original motion and oppose the amendment of the member for Coles. I was very interested to hear her reiterate her support for a consumption tax. We take that statement as support by members opposite for a consumption tax, and we will now be able to go out and tell our constituents and the member for Coles' constituents that that is the view of the Liberal Party in this State. At a time of economic difficulty for Australia, South Australians are entitled to expect from politicians on both sides realistic economic and tax policies and credible leadership for the future. Instead, what we have from the Opposition in this State and in Canberra is complete disarray and 'Alice in Wonderland' tax fantasies—the flat tax from Joh and a consumption tax from John Howard, the member for Coles and the Leader of the Opposition.

On the home front we have had a 'don't know' Liberal Opposition. Opposition Leader Olsen has yet to make up his mind whether he is for the New Right, a flat tax, a consumption tax or no tax. The tax lunacy being fought out federally reminds us of Malcolm Fraser's 'fistful of dollars' campaign played out in the 1977 election. Taxpaying families should be reminded that those tax cuts were swiftly cancelled the very next year. Sheer economic necessity made the fistful of dollars disappear like a mirage.

Even the Chamber of Commerce warns in 1987 of false expectations about tax reform, but from South Australian Liberals—until we heard from the member for Coles today—we have had deafening silence. Do members opposite care what happens to ordinary South Australians? Apparently they have not learnt from what happened with the United States economy when President Reagan cut taxes but did not deliver on the cuts to Government spending. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

CARGO CONTROL

Mr PETERSON (Semaphore): I move:

That this House calls upon the Federal Minister for Industry, Technology and Commerce to modify the proposals by the Australian Customs Service to introduce an integrated cargo control and clearance system in order to protect South Australia's employment and economic future.

I move this motion because I believe that the proposals by the Australian Customs Service have the potential to turn the Adelaide wharfs and associated container depots and terminals into useless facilities. They have the potential to create serious unemployment for workers in areas such as stevedoring, container repairs and servicing, customs agency, transport and warehousing. In my time I have seen the decimation of jobs in Port Adelaide through automation, bulk handling, containerisation and the general rationalisation of job practices. I see now that, if the proposals as presented are allowed to be implemented, it will be the last straw for Port Adelaide and will really turn it into a backwater port with major warehousing taking place interstate and further emphasis upon centralisation in major gateway ports by importers and overnight freight feeding goods as required into agencies in South Australia on request. We saw an example of that recently when Sunbeam relocated a few weeks ago.

We should not ignore the facts regarding the uncompromising self-interest that the other States have already displayed in the area of import cargoes. Only a few years ago a combination of discounts offered from Victoria to bolster their container ship terminal operation threatened to place our terminal at Outer Harbor at risk. I will just remind the House of what happened at that time.

Back in 1983 a combined deal was arranged to provide rebates as follows: Seatainer Terminals, $40; Vicrail, $22; Australian National, $8; and the Port of Melbourne, $20. So a total discount of $90 a container was offered for handling through the Port of Melbourne as against bringing containers to the discharge ports in Adelaide. South Australia is not the only State at risk in relation to these proposals. Queensland, Tasmania and Western Australia have also expressed fears over the impact on them as feeder States. The effect of these changes will also be felt in air freight volumes through the Adelaide Airport and the relocation of clearance ports of entry is also being fully aided and abetted by the actions of Australian National, which is gearing or is willing to gear its operations into an overnight freight service into Adelaide from interstate centres.

I remind members that there have already been moves to centralise warehousing interstate by companies that have long been established in our State and, as I said earlier, Sunbeam only a few days ago moved its warehouse interstate and created further unemployment in South Australia. The current practice of shipping is that if goods are consigned to Adelaide from overseas dispatch ports the goods, except in certain cases, must come to Adelaide to be cleared by the Australian Customs Service for entry into Australia. This is despite the fact that a large percentage—up to 70 per cent (or 80 per cent)—of Adelaide container cargo is discharged in Melbourne and transported by rail to Adelaide for unpacking and delivery. Up to 75 per cent of all sea cargo is at present entered with the Australian Customs Service before it arrives in Australia, that is, at sea and on the way here. These clearances are handled through a computerised system called Compile which has been in operation since 1976.

In relation to the background of the proposed changes, in October 1985 the Australian Customs Service issued a booklet entitled *An Integrated Cargo Control and Clearance System.* That booklet was directed to all parties involved in import cargo clearance and made recommendations to modify the system. In June 1986 the Australian Customs Service issued a further booklet. At that time I obtained knowledge of the proposals and expressed my concern in this House on Thursday 18 August. I put a question to the Minister of Marine during the grievance debate on 17 September 1986, and I again raised the matter and expressed my concern. However, it was not until I put the question to the Minister of State Development and Technology during the Estimates Committee on 3 October 1986 that any reaction was forthcoming. Since then increasing concern has been expressed by many individuals and groups regarding

the effect of these proposals. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

MOTOR VEHICLE INSURANCE

Adjourned debate on motion of Mr M.J. Evans:

That, in the opinion of this House, the Government should investigate the desirability and feasibility of replacing the present system of motor vehicle registration fees, drivers' licence fees and third party insurance for both bodily injury and property damage, with a levy on the sale of all petroleum products.

(Continued from 21 August. Page 539.)

Mr TYLER (Fisher): I am pleased to have this opportunity to speak to this motion as it is believed that it has considerable merit. I am aware of the investigations that have been conducted from time to time in the Transport and Planning Division of the department. However, many aspects still need to be looked at, and I believe that this motion should be supported by the House.

It is interesting that in 1984-85 returns from registrations and drivers' licences were approximately $63.3 million as against $48.5 million from the State fuel franchise. The cost of the Motor Registration Division collection was about $11.8 million compared with the estimated fuel levy collection of $60 000. The Motor Registration Division also collected an additional $163 million in associated fixed motoring charges such as third party, stamp duties, etc. There is no doubt that on a strict cost return basis the fuel tax is the most effective revenue raiser. Nevertheless, unless the Government was prepared to cease registering vehicles and licensing drivers, removal of the revenue raising function of the Registrar would not result in savings anywhere near $12 million.

However, I am attracted to the motion that the member for Elizabeth has moved. Basically, it is a user pays principle and would mean that those people who are doing most of the driving would pay. At the moment we have a situation where the ordinary citizen is heavily subsidising people who drive for a living, although there is a weighting component in the registration of heavy vehicles and truck companies, etc. However, basically I do not believe that these people pay their fair share of highway construction or maintenance. This matter needs investigation; for example, heavy vehicles may contribute proportionately more to road damage than the relative fuel consumption would indicate. So we need to have a very serious look at this situation. It may turn out to be counter productive, but I repeat that it really needs to be investigated.

Other matters that need to be looked at in conjunction with this inquiry are: whether we implement this in full or partially; how to replace fixed vehicle charges; whether it can be done by the State or collected by the Commonwealth and then returned in full to the States; and the various problems which would then occur in relation to the registration of vehicles and insurance matters. I do not believe that the registration of vehicles should be discontinued, but we need to have a look at this matter and investigate fully all the options.

I have already referred to the user pays principle. I believe that that needs to be looked at to see whether it is desirable for payments to be more closely related to the individual's use of the road system. For instance, such a scheme may reduce cash flow difficulties for low income earners and increase the incentive for people to switch to fuel efficient vehicles. All these points would need to be investigated by such an inquiry. I have spoken to the Minister of Transport and I know that he believes that an investigation is needed. I therefore indicate to the House that I support the member for Elizabeth's motion, because I believe it has considerable merit.

Mr INGERSON (Bragg): I rise to support in principle the investigation because any method that can simplify the taxation system and remove the bureaucracy from the existing development that we have as far as the public sector is concerned is a good move. A few matters that concern me will, I hope, be taken into account in any major investigation. First, we have a dedicated fund from motor vehicle registrations and, unless we have a continuation of that dedicated fund, it is highly probable that future Governments will place this sort of revenue directly into general revenue and use it for any reason other than the extension of highways or our total road system. I believe that in any investigation we need to make sure that there is a very significant dedication of funds for those specific purposes—and I say that from the point of view of both Governments.

The idea of having a fuel tax as a simple tax system is excellent, because we have in this country the most complicated tax system that could ever be dreamt up, and any method of simplifying that system is excellent. I hope that the Minister will make the report of the investigation public, because what happens in many instances is that the results are used in a political sense and not necessarily made public.

I hope that the report is made public. The other thing I would like to see is the Minister endorsing this proposal in the House, because we have a *de facto* Minister putting his stamp on this whole issue. In the private member's area we no longer seem to have Ministers supporting or criticising these proposals. All we need is a short statement from a Minister which would really put the Government's imprimatur on the whole exercise. I hope that in this instance, since the Government needs to carry out this investigation, we will have some sort of guarantee from the Government that it will occur.

Ms LENEHAN (Mawson): First—

Members interjecting:

Ms LENEHAN: I thought I was next on the call list. I support the motion, but I want to stress my support of the word 'investigate' in the motion, which I believe is of merit. The member for Elizabeth is asking the Government to investigate the desirability and feasibility of replacing the present system. I also note from the comments made by my colleague the member for Fisher that this proposal has been investigated and studied on a number of occasions. However, I want to raise quickly a couple of concerns that I believe ought to be taken into account when investigating such a proposal for a levy on the sale of all petroleum products. The idea on the surface seems to be very progressive. As the member for Fisher pointed out, we are looking at a 'user pays' system.

However, if we look a little further into this proposal we can see that there is a very regressive side to the proposal. I want to say (and this is why I thought the member for Flinders was wanting to speak in the debate) that the proposal could significantly disadvantage residents in the outer suburban area, which is my area—my constituents live as far away as the Onkaparinga River, which is a fair way from the city—but it also disadvantages residents in country areas who of necessity have to travel long distances from their residences to their place of work. That aspect needs to be looked at.

The other question that needs to be looked at involves licences and registration. There will be problems that will

need to be overcome. If we look at replacing the cost of a driver's licence—which is standard for everyone—and the cost of registration—which is standard for every type of vehicle—and we replace that on a 'user pays' basis (which is the amount of fuel consumption, because the cost of fuel will have increased considerably), I ask Parliament to address itself to the question of what will be the impact on those people in our community who are disadvantaged.

I refer to my earlier motion and the impact on the people who are now living in poverty and people who are on pension benefits and low income earners. In fact, many low income earners live in the extremities of the south and the north—

Members interjecting:

Ms LENEHAN: Yes, that is a point about cash flow. We are also saying that the poorest people tend to live in the extremities of the city. I do not need to present statistics to the House because everyone on both sides know them. We know of people who travel to their place of employment and in many cases they have long distances to travel. I know how many of my constituents, for example, travel to the member for Elizabeth's electorate and he knows a number who travel into the southern area. In a sense, those people will be greatly disadvantaged if they have to pay a much higher cost for their fuel. I am not saying that that may not be weighed against some other possible benefits, but I am saying that we have to be very careful that we do not go down the track of supporting something which may grossly disadvantage certain groups.

Let me pick up the points raised by the member for Flinders in this House yesterday, that people in the country of necessity have to travel long distances to survive in their everyday living. We may well find that these groups, as well as people living in the outer suburban areas, could be badly disadvantaged. I ask the member for Elizabeth to consider that these are the sorts of things that in this investigation process must be looked at in some depth. However, I will support the motion as it reads, as it is simply asking for an investigation and, if passed, will not commit members of this Parliament to support the proposal as it reads.

Mr HAMILTON (Albert Park): I support the investigation. I did not intend to participate in this debate but I remembered that some years ago when I was in New Zealand it was brought to my attention that the price of petrol was uniform throughout that country. One of the reasons for this system is, I understand, related to paying for insurance, registration, etc., right across the board. I am going only on my recollection and I will have to have a look at some of the notes that I wrote when I came back from that trip to New Zealand many years ago. This raises the question of the uniform price of petrol. My colleague who has just resumed her seat raised the matter of the impact of an increased price of petrol on people living in the outer suburbs of Adelaide. This is a very important aspect of this question. It is important to consider the impact of this on those not only in the metropolitan area but also in the country areas. The cost of the transportation of petrol must be borne either by the person at the petrol pump or by those who transport the fuel, or both. So, I believe that this matter is worthy of investigation. The price of petrol in Port Lincoln, for example, is a lot higher than it is in metropolitan Adelaide. This proposal is worthy of investigation and I support the proposition.

Mr BLACKER (Flinders): I appreciate that time is short. I indicate that I have very grave reservations about the import of this motion. I know that it is simply seeking an investigation, but I point out that I am dead against any measure that will increase the cost of travel or communication for country people. I have spoken with the member for Elizabeth, and he has indicated his views on having radial distances taken into account, similar to the registration criteria applying at the moment. I was interested to hear the member for Albert Park's view on equalisation of fuel prices, and I hope that he will support my private member's Bill. He has not done so in the past, but I hope that he will give consideration to the matter in future. It costs me $42 for petrol alone to go from one end of my electorate and back again in a brand new car. That is a cost that cannot be imposed on other people. I wanted to raise that point—and I point out that my electorate is not the biggest.

Mr OSWALD (Morphett): I just want to place on record my concern about this motion. I will not vote against it. At this stage I see no difficulty with having an investigation, but I have grave concern about the impact of this measure on both the rural community and the transport industry, as well as those in the community not necessarily associated with those two industries who use a lot of fuel. I will not delay the House at this stage, but I simply indicate that I support the measure but have grave reservations about the ultimate aims.

Mr S.G. EVANS (Davenport): I know that time is of the essence. I support the motion. I advocated a similar proposition in 1979-80. My own colleagues were not too keen to accept it. Later, my predecessor, the member for Davenport, pushed this argument quite strongly (I know that this is not exactly the same as it is a proposal of an investigatory nature). I noticed in America in 1974 that everyone paid only a $10 registration fee for all motor vehicles, regardless of size, shape or design, and that system seemed to work. I think an investigation would be great: I consider that payment of registration fees should involve only registration and should not be a tax raising measure.

I hope that the investigation would show that there is a way of doing it more equitably than occurs at the moment. The member for Mawson spoke about the poor people. At the moment we charge pensioners and others a half rate. Others on low income have to pay a high registration fee and use a car very little. If we have a user pays system at least they will pay on the fuel that they use and many low income people will be better off under this system.

Mr M.J. EVANS (Elizabeth): I thank members who have contributed to this debate and those who have added the statistics and figures to back up the argument, as did the member for Fisher. I also point out that it is certainly not my intention to disadvantage large sections of the community, and in fact the purpose of this investigation is to work out ways in which this proposal can be revenue neutral for the Government, and hopefully tax neutral for the public, thereby simply avoiding the massive administration and defaulting costs which apply at the moment and which have often been drawn to the attention of the House.

Quite clearly some sections of the community now pay higher costs—those in the commercial, taxi and heavy truck industries—and I expect that they will pay more under this proposal. People in rural areas pay less because obviously in their circumstances they are less prone to inner urban accidents and the like. Because of the need for them to travel large distances they are presently given concessions. The investigation should take that into account and find ways, by differential levying of the amount to service sta-

tions in the outback and country areas, that would also be incorporated in the proposal. It is certainly not my intention, or the intention of the Minister of Transport (although I am not speaking for him, I have spoken to him), that the investigation would find ways of ameliorating those possible ill effects. I do not intend that they be incorporated in the package. I wish the Minister of Transport well in the investigation should he decide to proceed with it at the request of this House and I hope that he will bring back a report for this House.

Motion carried.

AGRICULTURE POLICIES

Adjourned debate on motion of Mr Gunn:

That in the opinion of the House, both the State and Federal Governments should adopt policies which recognise the importance of agriculture to the economy of South Australia and the nation as a whole and which will assist agriculture to continue to play an important role in producing jobs and export earnings.

(Continued from 19 February. Page 2977.)

Mr GREGORY (Florey): I congratulate the member for Eyre on a detailed exposition of the problems confronting the rural industry of South Australia. In his address to the House on 19 February he set out in great detail exactly what is happening in the country and the distress being caused to people who are working on or who own farms in our rural areas. We have had over the past few days statements from members opposite about stress being suffered in those areas. However, I wish to take issue with the member for Eyre because I do not believe that the suggestions he made to the House will necessarily solve the problems being experienced by country people, nor will they solve the economic problems confronting Australia today.

I want to develop this argument around several statements he made. The first was early in his address, when he stated:

> ... the crisis that is developing in agriculture across this State and this nation. Members of the House should recall that it was the agricultural and mining industries which built this State and nation and, if given a fair go, they will provide the export income to maintain our standard of living. However, if current policies remain in force, I have grave doubts about the future of many of our primary producers.

That part concerns me. We know that when our State was settled and Australia was first populated by Europeans, the first endeavour undertaken by people was agriculture. It was on the basis of ensuring that they had food. As anybody knows, in the full development of a nation one needs to go beyond being an agricultural producer. If we rely solely on agriculture we will finish up being a poor debt ridden country with really no future.

Australia has developed through the mineral industry and then the manufacturing industry, and we have seen what has happened when Governments have chosen to ignore the advice to develop secondary industry. Our debt burden is caused by a number of factors, but two main ones. We have seen an over-reliance on commodities such as agricultural products and minerals. We are now competing on the export market with countries such as China and India for wheat exports.

Who in their wildest dreams would have thought 10 years ago that India would be selling wheat on the world market? And here is the rub: if the Indian Government were to improve its storage facilities to keep rats out of its wheat, it would have one-third more grain than it has now. Imagine what that would do to the world market for wheat. I suppose the same thing could happen with China, and that illustrates that point.

The other point relates to commodities such as iron ore and coal. We have seen other countries with huge deposits of coal and iron ore develop those deposits, exploit them and put them on the world market at a time when there has been a declining market for those products. Of course, the price has gone down. Members opposite know about those laws of economics, and I understand from the pronouncements of their leaders that they subscribe to them.

What the farming community has been confronted with is the fact that they are producing a product which is very hard to sell. What has been said about those in manufacturing industry is that, if they cannot produce efficiently and cannot sell their products, they ought to get out of it. I have always advocated that what we ought to do in this country is, not as the rural rump of the Liberal Party does (go round touting for the country people on the basis that if they were left alone they might be able to make a go of it and it is the city people who drag them back, and bring about conflict between city and country people), but look at the nation as a whole. We ought to be looking at developing policies that would ensure that we would be able to sell on the world market.

Last night I referred to percentages of world trade. Manufacturing industry makes up well over 60 per cent of world trade: our effort in manufacturing industry and exports is 19 per cent. What we have done is get our major exports into a diminishing part of world trade. We have not gone into the big area where there is expansion, and that is manufactured goods. We seem to have forgotten that if we were to go into manufactured goods we would be in a market where we could have added wealth.

Instead of just selling coal and iron ore overseas, we would be in a position where, having added wealth in our country and our manufacturing industry because of the scale of economies, we would be a lot more efficient. A part that really annoys me is that the Liberal Party, when in Government, on two occasions had the opportunity to change the direction of manufacturing industry to ensure that it was structured properly so that it could compete on the world market; it chose to ignore those recommendations because they were difficult decisions to make. It chose not to make them.

We had an example of it last night, when we were looking at a Bill before the House. The Opposition's attitude was, 'Let's wait and see what happens.' That is the soft option. Instead of taking a hard decision which would mean several years down the track we would have a future, they decided to say, 'We'll wait and see.' That is what happened in manufacturing industry. People now realise that if we do not do something about our manufacturing industry, we will have nothing left, and the farming community will not have any future, either; that is the terrible part of it.

In looking at the statement made by the member for Eyre, that comes through clear and plain. He has chosen to ignore that other very vital side of the economy of our country. All that members opposite can talk about is cost. That is a very important thing, but the part that amazes me is that they always want somebody else to pick up the tab. Today they talked about costs and at the same time asked the Government to pick up the tab for some primary producers.

One of the other things I found a bit disconcerting was the member for Eyre's comment about interest rates and the farming community. I agree with him that interest rates are high, but if we were to have the interest rates he was talking about, I wonder what shambles our economy would

be in. Their cure for the problem of interest rates is to have everybody in penury, except themselves, of course. They want everybody to be poor, grovelling on their hands and knees, working for wages at less than the poverty standard, and they do not want to pay tax, that is precisely what they are on about, and that is what they are advocating: special interest rates for farmers. Why cannot they be out in the market place like everybody else, because those interest rates are affecting everybody. I would have appreciated his speech a little more if he had been more general in his comments. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

ROAD TRAFFIC ACT AMENDMENT BILL (No. 7)

Adjourned debate on second reading.

(Continued from 3 December. Page 2699.)

The Hon. G.F. KENEALLY (Minister of Transport): In responding to the Bill introduced by the member for Flinders, I advise the House what the Government is doing to investigate the implications of this Bill so that full information is available to honourable members should a vote be taken. I have had this matter researched by the Division of Road Safety in cooperation which the Director of Forensic Science, and I intend also to have the measure referred to the Health Commission so it can have some input into the debate. This is a very serious legislative change that the honourable member recommends to the House.

My advice is that, on the face of it, it is a bit like the curate's egg: it is good in parts but other parts might be somewhat unpalatable. For instance, I have been informed that there is no point in testing for cannabinoids other than tetrahydrocannabinoid (THC), as THC is the only cannabinoid with effects of relevant magnitude. I have also been informed, and this is tentative advice, I suppose, that there is little point in testing for barbiturates as the level of use in the population is low, I have also been informed that it will be fairly costly to put into effect and, at this stage, we are not too sure of the benefits until further investigations have been made.

Other States and other countries have been involved in investigations, but the results have not been clear. I wanted to take this opportunity to let the member for Flinders know that the Government is looking very seriously at the implications of this Bill. I had some initial advice that I will need to have further investigated. I will need to have a response from the Health Commission and also get other necessary information, so I seek leave to continue my remarks later.

Leave granted: debate adjourned.

STA TAXI SERVICE

Adjourned debate on the motion of Mr Robertson:

That, in the opinion of this House, the lack of scheduled State Transport Authority bus services to certain areas at particular times warrants the investigation of a scheme which would allow the multiple hire of taxis as an adjunct to STA services and further, this House urges the Minister to investigate the use of the voucher system, by which STA patrons would engage taxis at times when no scheduled STA service is available.

(Continued from 3 December. Page 2698.)

Mr INGERSON (Bragg): I support the investigation of this scheme, because any scheme that looks at the possibility of extending the STA system into the private sector should be encouraged. I congratulate the member for Bright on this private sector initiative, which is something we should look at in the transport industry. I thought that this was another backdoor way of introducing privatisation, but since the Government doesn't like the word 'privatisation' I will call it 'commercialisation', which is the word that the Premier uses. The correct thing to say is that this scheme would use the private sector, which would be a much cheaper and more efficient method than extending the public sector of the STA.

I found the taxi industry very supportive when I discussed this motion with it. I understand that those involved have had discussions about the extension of their service with the Minister on several occasions and have discussed the way in which they could assist in the lower usage areas, particularly at night. This motion refers to outer suburbs where there are no STA services. If people in the private sector are interested in this idea, we would strongly support it. There is a general undertone in this motion that we should look at the extension or replacement of some of these services. Since that was very much in our policy at the last election, I strongly support the motion as this is a very sensible policy.

As everyone in this State is aware, the massive escalation of the STA deficit is of concern to all. I will now quote from the *Transport Policy and Strategy Planning Document of the Eighties* brought forward by the Director-General of Transport, Dr Scrafton, where at page 38 he states:

> The size of the State Transport Authority's deficit and its growth in real terms is the most important strategic issue facing the State Government. Allowing the deficit to grow unchecked will severely limit opportunities for the provision of new services and opportunities for capital investment in public transport infrastructure. It may also require financial resources to be diverted from other areas of Government priority.
>
> To reduce the size of the STA deficit and limit its growth it will be necessary to improve on the present low level of cost recovery, which cannot be justified on economic or social grounds and requires users to pay a larger share of the cost. Furthermore, because the metropolitan rail system incurs disproportionate operating costs compared to the benefits it provides it will be necessary to rationalise part of the suburban rail system and to introduce productivity improvement measures on the residual rail network.

It is interesting that the Director-General should put that suggestion forward in a policy document back in 1984. One of the more important factors that the Director-General came up with in this document relates to current issues. On page 17 he states:

> A strong private sector is one basis of economic growth in South Australia and opportunities exist for the private sector to provide services in the metropolitan area within and beyond the STA's operating area. The option of using private sector operators should be pursued in preference to one which requires the authority to provide services which will result in a disproportionate increase in deficit.

The report then refers to an area relating to the suggestion put forward by the member for Bright and it states:

> Another option is the use of paratransit, i.e. all forms of public shared transport except for conventional fixed route, fixed schedule services. It embraces all the forms of passenger transport which fall between the private car as an individual privately-controlled mode, and the fixed route, fixed schedule bus, train and tram services which presently operate. Taxis are one form of paratransit, community buses and car pools are others. Paratransit therefore provides an option whereby passenger capacity available to satisfy transport needs is widened to include the potential suppliers of transport services to be found in private buses, work buses, rental cars, social service agency vehicles and private cars. Finding the right solution for a particular market and organising the operation of paratransit services are two areas which warrant further consideration.

It is interesting to note that, some two years after this document was put forward by the Director-General, the backbench of the Government proposes extended use of the

private sector in the transport system. I think it is an excellent move and, as I said earlier, one can call it privatisation as we do or, I think what is more important, effective use of the private sector in reducing the deficit of the STA. Surely that is what we should do.

The Hon. Jennifer Cashmore interjecting:

Mr INGERSON: As the member for Coles said, it is an excellent proposition, and it is something that we support. I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

SOUTH AUSTRALIAN HOUSING TRUST

Adjourned debate on motion of Mr S.G. Evans:

That, in the opinion of this House:

(a) the South Australian Housing Trust's charter in the residential sector is to supply taxpayer subsidised homes to those who are unfortunately unable to provide their own;

(b) taxpayers should not be required to continue to subsidise trust homes for the 'well-off';

(c) many taxpayers buying their own homes are helping to provide shelter for people on higher incomes than themselves who are paying the trust's highest rental of $74 per week for three bedroom homes, which includes excess water;

(d) the Government should take immediate action to stop taxpayers' money being used to pay excess water for trust tenants which totalled $2.67 million in 1984-85 and $2.57 million in 1985-86;

(e) trust tenants who seek to purchase the home they rent should be encouraged and where they have improved that property to enhance its value, should be credited with the full value of that enhancement;

(f) the capital value placed on trust homes being lower than similar sized private housing in neighbouring areas forces the private home buyers to pay higher council, water and sewer rates than that which the trust pays on behalf of all of their tenants;

(g) once the household of a trust tenant is in receipt of an income which exceeds $20 000 per year, they should begin buying that home or pay the trust a proper market rental for the home or obtain their shelter by rental or purchase in the private sector;

(h) the trust should take the strongest possible action to prevent the 'well-off' using subsidised resources to the disadvantage of the large number of deserving cases on the trust's waiting list;

(i) where trust tenants fail to give full details of income received in that household, or of persons regularly using that home, a penalty should be added to the rental; and

(j) that subclause *(b)* of clause 27 of the South Australian Housing Trust Act 1936 should be amended to also apply after a family becomes a tenant of the trust so that taxpayers do not have to subsidise a family's home through the trust wilst that family has ownership or lease of any other home.

(Continued from 3 December. Page 2699.)

Mr S.G. EVANS (Davenport): I realise that I will not now have enough time to put forward all the facts and details that I wanted to, but I will proceed with this motion today. Paragraph *(j)* of the South Australian Housing Trust Act provides:

> The trust shall not let any house to any person who, at the time of applying for the lease, owns a dwelling-house—

and there is no definition of 'dwelling-house' in the Act—

> provided that if the trust is satisfied that any person applying for the lease of a house owns a dwelling-house which is situated at a place remote from his place of employment and that by reason of the distance of the dwelling-house from his place of employment he cannot reside in that dwelling-house whilst continuing in his employment, the trust may let a house to such person.

Even with my provision, a person could own a holiday shack, for example, at Ardrossan and, say, work at Christies Beach and cannot travel from Ardrossan to work at Christies Beach, and under the Act the trust would still be required to provide a house. I know that the trust can be tough in such cases, but one or two people have got away with that situation. However, my main concern is with people who already have a trust home but who, by going into business or by getting a better job than they had when they received their trust home, buy a holiday shack at, say, Goolwa or Port Elliot and continue to live in a subsidised Housing Trust home, and nothing is done about it.

That is a complete injustice, and in this regard I thank the member for Mawson. In recent times I heard the honourable member say that the poorest people live on the extremities of the city. That is an indictment of our system, and it is the very basis of my argument. When the Housing Trust was first created, people were provided with houses close to the city, not on the extremities, and many of them are still living there. Indeed, many of them are now very well off, yet they are still allowed to live in Housing Trust accommodation at very moderate rents. I will come back to the question of rents in a moment, because the member for Mawson also helped me by her comments on that matter. Some of these people could be running a business or two. As I have mentioned in this House before, family friends of mine conduct businesses and pay in excess of $20 000 a year in taxation, but they only pay $65 a week for a Housing Trust home. At the same time, as the member for Mawson and others have said, thousands of people are on the waiting list.

An honourable member: There are 40 000.

Mr S.G. EVANS: Yes: and, with 40 000 people on the waiting list and 56 000 people accommodated in Housing Trust homes in Adelaide, what I am talking about is an injustice. The General Manager of the Housing Trust has gone on air (and other people, including the Minister have supported him) saying that it would be unfair to ask people how much they earn or whether they own a boat that is worth $30 000 or a holiday shack down on the south coast.

Mr Becker: They are asked that.

Mr S.G. EVANS: No, they do not ask for those details. Once they pay what the trust believes is the market rent, they are no longer asked those questions: it is only while they are on subsidised rent that that occurs. Otherwise, it is said that it would be unjust to ask such questions, because it interferes with a person's private life. The member for Mawson has been heard to say that, for a three bedroom home in the private sector, rent is $120 a week. I thank her for that information. However, people on high incomes living in Housing Trust accommodation pay no more than $74 a week; with the increase, that is perhaps now $80 a week. The highest Housing Trust rent that I can find on the list for a three bedroom home called 'Manitoba' is $87.50. What sort of a lurk are these people on?

We have heard the member for Mawson plead the case of the disadvantaged. Her argument is: why should the rich get it and the poor miss out? However, when it comes to a resolution such as mine, for a full three weeks after it was placed on the Notice Paper all we had was the Minister and officers trying to justify the actions of the Housing Trust. The trust has become a racket for those who want to exploit it.

On page 5 of this year's annual report is a photograph of people around a table. I raise this point because it appears to me (and sometimes it is hard to distinguish these days) that there are only three men in the group of 10 people. I have in my electorate a man who is living in a mobile van (not a caravan) which has not even been modified to allow him to sleep in it. This man has had cancer and he is travelling around the Hills because he cannot gain a place

even on the emergency housing list—and I say that is because he is a man. Today one must be either a youth or a woman to receive proper consideration by the trust. That is one example where a man cannot obtain emergency housing. He is in his sixties, he sleeps on the side of the road and other places and he has had cancer, yet he is ignored by the authorities.

If one looks at the table, one can see how anti-discrimination can go the other way. I may be wrong—some of the other people in the photograph may be men, but to me it appears to be three men and seven women. We spend $44 million a year repairing Housing Trust homes, and $33 million goes in rent subsidies. In fact some people receive a subsidy to obtain private sector housing because they are not available through the trust. Over $2 million a year is paid by the trust on behalf of tenants for excess water. Some of those tenants (not all of them) have the better gardens and facilities and, in fact, they are rich—they are not poor. Some of them are even better off than members of Parliament (and the public and the press consider us to be well off).

I ask the member for Mawson to urge her colleagues to support her statement because, if they do that, they would support my motion. If we made the trust do what it should be doing—that is, making its resources available to the disadvantaged first—we would not have this massive number of people on the waiting list for emergency housing. Many youths apply for help in this area. In fact, during 1985-86 the trust received 2 396 applications from single persons under 25 years of age, but it was able to assist only 243. In my opinion, that detail is not sufficiently accurate for a report to Parliament. The report should have said that there were 2 396 applications and, upon assessment, it was found that all were suitable or that only 243 were suitable. As it stands, the report is misleading in that regard. On first reading, it appears that all the applications deserved Housing Trust support.

I have no doubt that, if one looks at the graph in the report, it is obvious that many more young people are seeking housing assistance. Society has developed an attitude whereby, if you do not like the discipline of home life (which places constraints on all family members) and you want to leave home, you have only to tell a Community Welfare officer that you have a nasty mother and father, that they are too tough and you have to get out even if you have to sleep in the park for a couple of nights. I believe that society is being hoodwinked by thousands of young people. So-called 'do good' organisations receive Government grants, but there is no way that they want to solve the problem because, if they did that, they would be out of work and would receive no further grants. So the more young people they can get into the system, the more work there is for them and the higher the pay, and those with aspirations to leadership can end up employing a few people to work below them.

I believe that many families in society are broken-hearted about what has been happening. I believe that many young people are in disastrous circumstances because we have encouraged this practice. There is no way that we should have had an increase of 13.7 per cent in 1985-86 in the number of single people under 25 years of age seeking emergency housing. I do not believe that those figures should be coming through. The trust claims that the Federal Government should make more money available to help those who are socially and financially disadvantaged and argues that the Commonwealth should make it up. That is still taxpayers' money. Why say that the taxpayer can pay it federally? Why not say that it is our responsibility?

We are providing cheap housing for the rich. The member for Mawson clearly pointed that out when she said that private rental for many disadvantaged people was costing $120 a week. While many are struggling to get a home—possibly 40 000 of them, although I do not believe that they are all genuine applicants—the rich are sitting in their homes, with all the luxuries, laughing their heads off, yet we do nothing about it.

One member of Parliament, just after he was elected and after I had made a similar statement, came to me and said that he hoped I was not going to have a shot at him or name him, and I told him I was not. He explained that they were building their home and that they would get out of their trust home. I think that is great. That honourable member moved from a fairly low income into this place and did the right thing within two years of being elected. I believe that the trust should say to people in a higher income bracket that they can afford to buy their home; that they can buy the one they occupy and if they have improved it, that value can be taken off the cost; if they do not wish to buy that house and they can rent privately at $120 a week (as suggested by the member for Mawson) or buy a house, so that the trust can move in a disadvantaged person and thus make proper use of taxpayers' money.

I do not know how, even in Playford's day, Parliament could support this concept. The only argument used is that we want a mix of different socioeconomic groups in a community, and I agree with that if we have the perfect society. However, this country, the State Government and the Housing Trust are short of funds and 40 000 families (we are told) lack accommodation. Should we not give them the accommodation first? I believe that we have reneged on our responsibilities. All political Parties should have the intestinal fortitude to say that the Housing Trust is a racket, that it must be stopped, and that we must make sure that only the genuinely disadvantaged occupy Housing Trust accommodation. Otherwise, tenants should pay full market rents. If people in three bedroom homes pay $120 a week when they are on a salary of $20 000 or more a year, what is unreasonable about that? That would be better than paying $44 million a year to repair Housing Trust homes. That amount is going up and we are still falling behind.

My motion is self-explanatory. I know that some members have Housing Trust homes in their area and I do not, and that it is easy for me to say these things. However, I said it when I was shadow Minister of Housing. The Labor Party condemned me then, and it can condemn me now if it likes. However, it should remember that many people who are struggling to find shelter, and who are in genuine trouble, cannot find it at an affordable rate. The rich in Housing Trust homes may be friends of ours, but I will not dob in my friends unless every other member is prepared to tackle the problem, which we know is there. If members agree, as a Parliament, there will be no loss of votes and society will say that we have done the right thing, that we have a conscience. I have not used many figures today because I wanted to get over my inbuilt detestation of the system, but if there is enough private members' time later I will. I seek leave to continue my remarks later, and in doing so I thank the member for Mawson.

Leave granted; debate adjourned.

[*Sitting suspended from 1 to 2 p.m.*]

PETITION: ADOPTIONS

A petition signed by 24 residents of South Australia praying that the House urge the Government to waive the

service fee of $1 200 imposed by the Department for Community Welfare for overseas adoptions was presented by Hon. Jennifer Cashmore.

Petition received.

PETITION: GAWLER LAND VALUES

A petition signed by 2 366 residents of Gawler praying that the House urge the Government to undertake a reassessment of land values in the Gawler council area was presented by Hon. B.C. Eastick.

Petition received.

PAPER TABLED

The following paper was laid on the table:

By the Minister of Emergency Services (Hon. D.J. Hopgood):

Commissioner of Police—Report, 1985-86.

MINISTERIAL STATEMENT: FIRE PROCEDURES

The Hon. R.G. PAYNE (Minister of Mines and Energy): I seek leave to make a statement.

Leave granted.

The Hon. R.G. PAYNE: During Question Time yesterday, the member for Light sought an immediate investigation into what he said appeared 'to be a complete breakdown in communication between the Electricity Trust and the Country Fire Services over procedures to be adopted in dealing with any repeat of Ash Wednesday conditions'. The honourable member based his claim on a letter written by a senior CFS officer which he said indicated a serious dispute between the CFS and the trust over ETSA's plans to cut off power in the event of a recurrence of Ash Wednesday conditions.

Although I expressed the view that I did not believe the situation was as he described, I accepted his offer of a copy of the letter and undertook to make immediate inquiries. This has been done and, because of the seriousness of the allegations, it is appropriate that I report my findings to the House.

First, I am advised by the trust that there is continuing very close co-operation between the CFS and ETSA on all aspects of the red alert day disconnection policy. Secondly, I am assured that the Director of the CFS (Mr McArthur) has been fully involved throughout the development of the trust's disconnection strategy and the methods of implementation since its earliest days. Thirdly, there appears to be an enormous contradiction between claims of disputation over the disconnection policy and the fact that Mr McArthur promoted the policy in a recent series of televised public information segments which first went to air on 4 December. Let me quote some of Mr McArthur's words in those segments:

> ETSA has done a great job in tree trimming, but on days of extreme fire danger the risk is still there. On these days, ETSA has no option but to turn off the power to certain high risk areas. This advertisement explains the whole situation regarding these power cuts. If you live in a fire risk area, I urge you to read it carefully.

At this point, Mr McArthur displayed a copy of the ETSA press advertisement which explained the disconnection policy. Fourthly, I am advised that the arrangements in place between the CFS and ETSA ensures the fastest possible communication between the trust and the CFS. On days of high fire risk or where a significant fire is burning, a trust officer will take up a position at CFS headquarters to provide instant information on trust decisions as they are made. Fifthly, policies on disconnection developed in conjunction with the CFS were consolidated in a document prepared by the trust on 15 January, about a week after the letter provided by the member for Light was written. It is my understanding that this document has been supplied to all the various representatives who have membership of the State Disaster Committee.

I have a copy of this document for the member for Light which I hope will reassure him that the appropriate level of communication has occurred. I do appreciate that he would have been concerned by the implications in the letter, but I would point out that it was written almost seven weeks ago. I do not know how long it has been in his possession but, if there were concerns on the part of either the writer or the receiver, then those concerns should have been followed up long ago.

In any event, I believe that what I have put to the House clearly indicates that the concerns were unfounded. The trust has consulted with the Director of the CFS during all stages of the development of plans for disconnection in the event that it becomes necessary. As the policy document indicates, arrangements are in place to ensure that the CFS is given as much advance notice as possible when disconnections may be required and immediate notification when decisions have to be made on an emergency basis.

QUESTION TIME

The SPEAKER: Before calling on the Leader of the Opposition, I advise that questions that would otherwise be directed to the Minister of Housing and Construction will be taken by the Minister of State Development and Technology.

RURAL CRISIS

Mr OLSEN: Is the Premier prepared to call an immediate meeting of representatives of banks, other finance houses, pastoral companies, machinery manufacturers and the United Farmers and Stockowners in an attempt to alleviate the financial crisis that is about to consume many South Australian farmers? Yesterday's violent clashes at a sale of repossessed agricultural equipment in New South Wales may soon be repeated in South Australia unless urgent action is taken to alleviate the financial crisis faced by many farmers burdened by crippling interest rates.

A survey by the Opposition during the past three days of financial institutions and farm suppliers has shown that the conference I have suggested could help to develop a strategy to avoid an imminent series of forced sales and allow farmers respite so that they can plant this season's crops. Many farmers are desperate for some breathing space. The situation is urgent because farmers in financial trouble must be in a position to know within the next four weeks whether they will be sufficiently viable to carry on during the coming season with seeding to begin in April/May. Our survey has revealed the following facts which demonstrate the depth of the crisis.

One stock agent has 90 South Australian farmers on the books who are considered to be at risk. The liabilities involved total $8 million. A second stock agent reports 40 customers at serious risk. The Port Lincoln branch of a major bank reports five farming customers at the point of

no return and 30 are in trouble. This bank also has 350 farmers on its books with total liabilities of $24 million, and, with another overdraft repayment due next Monday, it is planning to send extra staff to Port Lincoln to assist customers unable to meet their commitments. Trustee companies are also reporting that some very large rural properties are now at risk, and machinery manufacturers and suppliers are already being forced to retrench people with even greater fall-offs in sales predicted.

While cereal farmers on Eyre Peninsula and the West Coast are the worst affected, this crisis has spread throughout the State's rural areas, including the south-east of South Australia. Indeed, 156 farming families are already on household maintenance support in South Australia. Last year, the Western Australian and Victorian Governments, faced with similar circumstances, assisted in making carry-on arrangements to keep farmers on their properties so that they could plant their crops. The current crisis now facing South Australia demands a similar response before the grave difficulties now facing our farmers have an even greater impact on the whole State's economy.

The Hon. J.C. BANNON: This question would probably have been more relevantly directed to my colleague the Minister of Agriculture, who is certainly dealing with this matter as a high priority and a matter of great urgency. However, rather than pass the question across to my colleague (and certainly he can provide more detailed information in the appropriate forums), I thought that it would be more appropriate for me to respond to the Leader of the Opposition by saying that the sort of conference he proposes may indeed be one way to try to tackle the problem, which has come to a head, on Eyre Peninsula.

There is no question that severe problems are being experienced there. In fact, a meeting that I had with the State Bank this week highlighted to me the concern about the situation facing some of those farmers. The interesting thing about it was the comment that so far South Australian farmers in the rural sector have escaped the full brunt of the terrible disaster that has befallen sectors of our agriculture in Australia.

There are a number of reasons for that, one of which is that our farmers are extremely efficient. They have always been in a much stronger financial position with a higher level of equity in their property and machinery than farmers in other parts of the country. The devastation that is striking areas of New South Wales and Western Australia has not so far affected South Australia. But there is no question that the crunch is coming, and it has become very evident just in the past couple of weeks, with those farmers in the marginal areas of Eyre Peninsula. It is a problem that has been looming for some time.

The State Government has been actively involved through the Department of Agriculture in devising strategies and assistance and our financial institutions, including the State Bank and the private banks lending in that area, have also been working very hard with these communities to try to ensure some financial viability. The basic problem is in relation to the price that can be obtained for a product. It is not, as has often been the case, in relation to failure of the crop: it is just that producers cannot command prices overseas that they would have expected in the past—and that is the killer. The interest burden is certainly an important factor but it is not the key factor at all. As I have said, our farmers are well geared for debt.

I might add that, if in fact the dollar goes up, to a large extent that will have an adverse effect on our overseas markets. However, it might improve our interest rates, so indeed that see-saw effect might occur, and I think members should recognise that. This situation has confronted sectors of the industry for quite some time. I remember feeling extremely alarmed late last year when attending a rural conference, addressed by Mr John Elliott, not in his capacity as an aspirant to the Liberal Party (which I think would be a great pity because I think he can better serve by staying in business and doing his job there) but as the head of Elders IXL, which is one of our major pastoral and rural financiers on houses. At that conference he said that there was no future for grain. He said that his company was not involved in grain any more and that he would advise everyone else in it to get out, too. He told this to a rural gathering: it was an extremely alarming and disturbing statement.

The producers do not have this option, and nor should they, but we must realise that any measures taken ensure that there is a long-term future. No-one can leap from crisis to crisis. All the banks are prepared to restructure debts—and my colleague the Minister of Agriculture has made this point. Short-term arrangements can be made; they can be got through perhaps another few months or another season, but that does not solve their problem. The fact is that there has to be some major restructuring as well. That is the truth, and anyone who understands this matter would agree that that is the issue that has to be addressed. The long-term, not just the short-term, future must be considered. I can assure the House that this matter is being dealt with as a matter of the highest priority.

My colleague has already made several statements and is making a number of moves at the moment. Incidentally, I might add that, in recognising the problem that people are facing, we also recognise the problems that those in the manufacturing industry in this State have faced. All sorts of elaborate schemes and devices were not set in place when the Whyalla shipyard was closed, virtually overnight, meaning that some 2 000 workers were out of a job. These things affect all sectors of the community. It requires a cooperative, overall community effort to deal with them, and I can assure the House that this is the way the Government will approach the matter.

WEST COAST FARMERS

Mr GREGORY: Will the Minister of Agriculture outline The measures that the Government intends to put in place to assist farmers on the West Coast who are facing the prospect of having to leave their farms because of the rural crisis? Today's *Advertiser* described the financial problems being faced by many farmers on Eyre Peninsula and the West Coast—problems caused by the high cost of farming, the low price being received for grain on the world market, and adverse seasonal conditions. I believe that it would assist this House to appreciate the plight of these farmers if the Minister could indicate the role of his department in helping them.

The Hon. M.K. MAYES: Joining with the Premier in his answer to the Leader of the Opposition, I must express the feeling of desperation of some of these 100 or so farmers on the West Coast whose situation has been brought to the Government's attention and who are currently facing this financial crisis. In some ways we could foresee what was going to happen because of the structure of world grain prices and the direction they were taking, with the EEC and the Americans maintaining home support and, indeed, with the failure of both those major exporters to recognise the impact they were having on world grain through the subsidy schemes they ran for their own producers.

The situation was anticipated last year, and we had a meeting with the United Farmers and Stockowners and the

general managers of all the major trading banks in this State to discuss what avenues of assistance could be addressed by the banks in their dealings on a day-to-day basis with the farmers. It is important to note that we made some headway with the banks in that regard. We set up rural council services with the Federal Government, although in doing so we struck a small snag on the West Coast which slowed the process down a little, but that program has been progressing. That is important, because we are offering the rural community in these times the support that perhaps has not been there in the past. I think it is fair to note that we have seen history go through that process. My parents were on the land in the Depression, and they have had that experience.

Members interjecting:

The Hon. M.K. MAYES: Perhaps the member for Alexandra was not around during the Depression, although I think he may have been. He obviously does not know of the experiences I have had related to me. Certainly, this is a crisis which has previously been experienced by people both on the land and in the city. The department has endeavoured to provide support in every way, including support through the Government's funding program. Some of the information has not reached the farming community, and we need to address that matter to see how we can communicate the sorts of facilities we offer the farming community. To do that, the Director will be holding a press conference this afternoon to elaborate on what facilities are actually available and, hopefully, through our extension offices in the rural areas we will be able to communicate the sorts of services we can offer, of which some of the farming community may not be aware.

I highlight some of the things in which we have been involved. We have seen a five-fold increase in rural assistance funding from $7 million last year to $35 million in this financial year. That is important to note. The contribution from the State Government towards that has been of the order of $15 million. That information may not be getting across to the rural community. When I have gone into rural areas, people have raised queries which indicate that they have not had a fully informed background on what the Department of Agriculture can offer in the way of advice and assistance, and what financial assistance is being offered through the State Government.

In addition, we have set up our counselling services through meeting with the banks, which I think is an effective way of communication, and we will have to look further at that, because the communication channels are working. The banks are telling us what is happening in regard to the crisis being faced, particularly on the West Coast (because this was the area mentioned in the *Advertiser* report referred to by the honourable member).

We will be pressing the Commonwealth Government for continuing high levels of financial assistance for farmers. We will be meeting in the second week of March with all Ministers to consider the rural adjustment package. This State will be arguing for further flexibility in this package to allow for the very points the Leader refers to involving, for example, cropping and the cost of putting in crops for the 1987-88 season. We hope to achieve greater flexibility through the rural adjustment scheme to allow for those people who may be seen by the banks as not being viable in the short term but who we believe as a department—and from all the evidence put before us—in the long term will be viable.

We have to look for some greater flexibility in that package and we will be arguing that to the Federal Minister and, hopefully, with the support of my colleagues from interstate, we will achieve that flexibility. We are looking very seriously at what we can do to assist in this situation. There was mention of the number of farms on household support and we may have to look at additional household support in order to tide some of these farms over during this period to allow for restructuring of their financial situation so that they can continue.

I conclude by saying that I hope that next week I can get out and meet with some of the people who are facing this crisis in the West Coast area and see at first hand what is the situation. I share with the Premier the concerns that he has expressed in his comments with regard to the crisis being faced by farming communities. We will do everything we can possibly do within our financial capability to address the problem and, hopefully, will help to redress some of the stress and distress felt by the community.

FRINGE BENEFITS TAX

The Hon. E.R. GOLDSWORTHY: In view of today's further disastrous motor vehicle registration figures, is the Premier prepared to take a submission to the May Premiers Conference calling for the scrapping of the fringe benefits tax to protect employment in South Australia? Today's Australian Bureau of Statistics figures show that, in the 12 months to the end of January, motor vehicle registrations in South Australia dropped by 30 per cent. This was the largest fall of any State—7 per cent above the national average decline—and the number of registrations in South Australia in January was the lowest for 30 years.

This is despite the fact that the State Government is trying to boost the figures by buying an increased number of Government cars. An industry source has told the Opposition that this month the Government is registering new vehicles at the rate of 20 a day, which is well above normal Government activity.

Statements by the industry make it clear that the fringe benefits tax and continuing high interest rates are the major reasons for this alarming decline in new registrations. An opposition survey indicates that more than 1 000 jobs have already been lost in South Australia, with more car dealer bankruptcies and retrenchments imminent. I referred in this House yesterday to the fact that South Australia is leading the charge over the whole nation in terms of the number of bankruptcies, a large number of which have been in this industry.

The decline in the motor vehicle industry, our rural industries and the housing and construction sector mean South Australia is now facing its most serious economic crisis since the Great Depression and demands urgent action to alleviate the impact of the current high tax and high interest rate policies being pursued by both Federal and State Governments.

The Hon. J.C. BANNON: Yes, I do intend raising this matter. In fact, in association with the industry we have been monitoring the situation and collecting detailed and factual information necessary to mount a case. There are, of course, a number of factors identified in this area. It is not simply the FBT that is involved and we would be kidding ourselves if we believed so: that would just obscure some of the much larger problems in the industry. I do not share the honourable member's despair about our sector of the motor vehicle industry, either in terms of its component of manufacturing nor in the market itself, and I will explain why.

First, so far as South Australia as a motor manufacturing centre is concerned, it is very true that both the major manufacturers here—Mitsubishi and Holden's—have reduced their labour force over the past 12 months in response to the decline in demand. It is also true that we have seen a considerable strengthening in some areas of the component industry in which South Australia is involved.

Indeed, a number of very exciting developments are on the horizon. One of them was referred to this week—the proposal for a national tooling centre—in which both my colleague, the Minister for State Development and Technology, and I have been very intensively involved, so the news is not all gloomy.

There is no question that with an upturn in our motor vehicle industry and the consolidation that will occur at GMH Elizabeth, we will see substantial employment gains in South Australia in that industry. That is part of the overall strategy of the car plan. I simply say that the Deputy Leader of the Opposition need not be despondent. In fact, we are performing very much better nationally than one would expect in this area and we intend to reinforce that.

Secondly, as far as the market is concerned, an examination of the figures will show that the South Australian consumer reacts more quickly and to a greater extent than the consumer in other States. A study has been done on this topic and one reason given for this is that, because the industry has such a high profile in South Australia, questions that are raised in Parliament, such as that asked by the Deputy Leader and others, get publicity and the market responds to it. It is just a fact of life. Members should recall that the other side of the coin is that, when the industry is going well, that is certainly spread throughout the community.

In the boom year of 1985 a total of 689 000 units were sold, which was a record for Australia. There had never been an occasion when more cars had been sold, and South Australia's share was above its normal average. We were asked no questions then about why we were buying more cars and whether this was a bad thing. That was in 1985. Does it not stand to reason that, if in fact there is a year where more cars (100 000 or so more cars than on average) have been sold, there will be some reduction in demand in the subsequent years? That is what has happened. That is why I say that the fringe benefits tax is not the only reason. The change to unleaded petrol and the extremely high prices of imported cars and imported parts are all part of the equation.

I repeat: we are kidding ourselves if we say that a change in the FBT will solve it, because that is not the case. The industry knows that and anybody who has examined it also knows that. We are witnessing the motor vehicle industry at a very low ebb indeed—the lowest for about 25 or 30 years. There is no question that it needs to be improved. From the information that I have, on the January figures there has been some seasonally adjusted improvement, but it is certainly working off a low base. There is no cause for panic or alarm, but there is a real cause for concern because, unless the car plan works, and unless that can feed that through into an upturn in this industry, we will be in real trouble. One of the keys will be the development of an export market. For some years now we have not been able to export in this area. We have to find our way into export markets, and South Australia is taking a lead in doing that.

E&WS DEPARTMENT

Mr TYLER: My question is directed to the Minister of Water Resources.

Members interjecting:

Mr TYLER: Have you quite finished?

The SPEAKER: Order! If the honourable member for Fisher requires the protection of the Chair, he has the assurance of the Chair that that protection will be provided.

The Hon. E.R. Goldsworthy interjecting:

The SPEAKER: Order! I call the honourable Deputy Leader of the Opposition to order.

Mr TYLER: Why does the Engineering and Water Supply Department allow its workers to start work at 7.30 a.m. on a Sunday morning in residential areas? Last week I was approached by a constituent who works shift work and she claimed that she was awakened at 7.30 a.m. on a recent Sunday morning by the E&WS workers putting in a water main and a water meter. The E&WS Department employees were using jackhammers, which were being operated by a compressor. I am told that the noise echoed up and down my constituent's street. My constituent—

Members interjecting:

Mr TYLER: Members opposite may find it amusing, but I do not happen to, Mr Speaker.

The SPEAKER: Order!

Mr TYLER: My constituent approached the supervisor of the work gang and asked them to stop. The supervisor obliged, but he informed my constituent that the State Government department was not subject to the same rules that applied to other people on a Sunday morning. My constituent is very angry and would appreciate it if the Minister could clarify the situation for her.

The Hon. D.J. HOPGOOD: As the honourable member has already made representations to me on this matter, I have had the opportunity to check it. It would appear that the incident occurred soon after 7.30, because the gang left the depot at 7.30, on their own testimony, to activitate what I understand is called a dummy service. When they got there they began digging a trench with spades, which is allowable, and, when they ran into some heavy going, they decided to activate a compressor that happened to be attached to the truck. That was a mistake: it should not have happened.

A woman, who I assume is the constituent to whom the honourable member has referred, came out of her house and remonstrated with the gang and in the ensuing exchange some statements were made that should not have been made. Clearly, Government instrumentalities are subject to the same controls and directions regarding noise as is any private industry, and I have asked the Engineering and Water Supply Department to make perfectly clear to their road gangs that they along with any other enterprise must observe the controls that are set down in the Noise Control Act. The incident is regretted, and it is hoped that there will be no repetition.

The SPEAKER: Order! Although it may not necessarily relate to the Noise Control Act, I draw to honourable members' attention Standing Order 174.

ENTERTAINMENT CENTRE

The Hon. JENNIFER CASHMORE: Can the Premier say what is the latest construction schedule for the Entertainment Centre? If the Premier's election promise had been fulfilled, construction would be well under way by now. However, after the election the Government decided to confine spending this financial year to site acquisition, design and documentation. Now, the Federal Government's warning to the States to cut back further on capital spending suggests more delay before construction even starts.

The Hon. J.C. BANNON: I am staggered. I know that the honourable member has been preoccupied for the past couple of days, and I must admit that I admire the way in which she keeps bobbing up despite that. Her question indicates a complete ignorance of what is going on in our economy at present. The fact that we are experiencing massive problems in funding capital outlays—

An honourable member interjecting:

The Hon. J.C. BANNON: When did I say that everything in the garden was rosy? That is an extraordinary statement.

If the Opposition cannot grasp the financial problems that are facing this State, if the Opposition, which constantly carps and criticises our capital works program, says that our borrowings are dangerously high, and does everything that it can to aid Canberra's attack on us, I wonder how it can even have the audacity to ask such questions. However, I will answer the question and answer it seriously.

Members interjecting:

The SPEAKER: Order! I call the honourable member for Light to order. Will the Premier resume his seat. It is understood that a small amount of interjection is part of the normal cut and thrust of parliamentary procedure, but the Chair will not allow a member to be drowned out by barracking from one side to the other.

The Hon. J.C. BANNON: I announced the schedule and how we were treating the Entertainment Centre at the time of the last budget—indeed, before it. We have gone through the process of choosing a consortium. However, we were attacked, and all sorts of innuendoes and slurs about that process were cast by the Opposition. We got that, and the decision was made. We provided in the budget for site acquisition and design work to continue, and that is going on. In 1987-88 we will make whatever further necessary provision is required for the completion of that aspect of the project, and we will consider what sort of time schedule we can have to commence construction.

WINGFIELD DUMP

Mr De LAINE: Can the Minister for Environment and Planning inform the House whether there are any health risks to people living in the Wingfield area from toxic wastes and chemicals that have reportedly been dumped in the area? Following last Tuesday's toxic chemical mishap at Seaton, it was reported by the media that toxic material was taken to the Wingfield dump for disposal. Nearby residents fear that there may be a repeat of last year's incident, when a similar situation occurred and a number of people in the area were affected and had to be hospitalised.

The Hon. D.J. HOPGOOD: Perhaps the question may be more appropriately referred to my colleague the Minister of Local Government in another place who has ministerial responsibility for the Waste Management Commission. I think that I should make that reference so that I can get a considered reply for the honourable member and for the House.

However, I have a very senior officer of my department on the Waste Management Commission, so I am kept reasonably abreast of what is happening in that area. There has been concern from time to time about the possibility of some illegal dumping having occurred at the Wingfield dump. I know that the Waste Management Commission is aware of the necessity to be vigilant in these matters, and I believe that appropriate procedures are being adopted. However, as I have indicated, I will refer the matter to the Minister of Local Government for an informed reply and bring it back.

POLICE DRUG SQUAD

The Hon. B.C. EASTICK: Can the Minister of Emergency Services tell us why the Government has failed to honour its constant promises to increase the size of the police Drug Squad? As far back as November 1984 (2½ years ago) the Government promised to significantly expand police resources available to fight drugs. In the *Sunday Mail* of 18 November 1984 the Premier referred to 'new resources for police, including the creation of special anti-drug units'.

In a statement by the Premier on 4 March 1985, to launch the first Operation NOAH, there was a commitment to 'a review of Drug Squad objectives, staffing and equipment'. This was in the context of the Premier's promising that South Australia would lead the national campaign against drug abuse. However, I have been informed that since then the Government has not in fact increased the size of the Drug Squad, so that it remains the smallest such squad in the mainland State Police Forces. I am talking about the redeployment of available resources, not new resources.

The Hon. D.J. HOPGOOD: The disposition of the resources which are made available to the Police Department by the Government is very much a matter for the Police Commissioner, in consultation with me, as Minister. I am sure that, if the Commissioner believes that it is appropriate that there be that reallocation of resources, he will raise it with me.

I should take the opportunity of reminding members of a report, recently released by the Australian Institute of Criminology, called 'The Size of the Crime Problem in Australia'—something on which the media have commented from time to time. In particular, I draw members' attention to page 85 of the report, which indicates the resources that have been put into policing by the various State and Commonwealth jurisdictions. That report makes perfectly clear that, apart from the Northern Territory, which has a small population base, this State puts more into policing resources than does any other jurisdiction in the Commonwealth. I think I should take the time to briefly read out the pertinent figures.

The report contains figures for 1984-85. I remind members that in the context of very tight budgets since then the Police Force has done reasonably well in relation to the resources available to it. I imagine that the current position is even better than what is revealed in this report. However, if one looks at the number of police officers and their strength per 100 000 of population, one finds that in that year the ratio for New South Wales was 193.7, Victoria 211, Queensland 187.5, Western Australia 211.3, South Australia 239.4, Tasmania 221.4 and Northern Territory 460. The Australian overall average is 220.9.

I think that indicates that the Government has done its part in ensuring that the resources of the Police Department should be adequate and indeed that they compare more than favourably with what has happened in other jurisdictions. I am prepared to refer the details of the question to the Commissioner of Police but, again, I make the point that if the honourable member is talking about allocation of resources within the department rather than new money then I think that it is very much a matter for the Commissioner to advise me as to the best way in which those resources should be spent.

GOLD

Mr FERGUSON: Can the Minister of Mines and Energy indicate whether South Australia is sharing in the current upsurge in interest in the search for gold? Even a cursory perusal of the financial pages of the daily press indicates that the level of interest in gold exploration is undiminished. An article in the *Financial Review* of 24 February states:

> The gold industry has been by far the strongest performer among all the mining industries, with the value of gold exploration recording its sixth successive increase to reach $215 million.

The article was based on new figures from the Bureau of Statistics for the 1985-86 financial year, which show that exploration for gold accounted for almost 50 per cent of total mining exploration expenditure. I am sure that the House would be interested to know whether South Australia

is sharing in this activity, despite its relatively modest gold production history.

The Hon. R.G. PAYNE: The short answer is that South Australia is definitely sharing in this increasing interest in gold exploration. As the honourable member was courteous enough to advise me earlier of his intention to ask this question, I have been able to bring into the House some very interesting statistics, which I am sure will be of interest to all members. As a generalisation, most interest is centred on areas of the State that have a previous gold production history. Perhaps the best way of illustrating the rising level of interest is to refer to figures pertaining to exploration licences: at the end of 1986, 144 exploration licences were in force around the State. In 22 of the relevant areas, gold was the main target, and was one of several targets in another eight cases. At the same time, 43 exploration licence applications were outstanding, 11 with gold as the main target and five with gold as one of several targets.

It is interesting to note that whenever the matter of gold is raised in this House it seems to attract a lot of attention from members opposite, and I often get a reasonable hearing in providing statistics on this subject. I suspect that it does not necessarily have anything to do with the fact that yesterday the price of gold was $A602.32 per ounce. From the figures that I have referred to, it can be seen that almost 40 per cent of new licence applicants have some interest in gold, compared with only about 20 per cent in the case of existing licences. Many of South Australia's gold mining areas have, of course, from time to time over our history attracted interest, and a search for gold has occurred.

I think members would agree that with the advances in technology that have occurred it is not necessarily a drawback to centre interest on the same areas, as it is very likely that the new technology may well be somewhat more successful than previously. Another factor, not entirely abstruse concerning this reply, concerns the fact that the tremendous amount of gold mineralisation in the Roxby Downs deposit has excited considerable interest among—

The Hon. E.R. Goldsworthy: Is that that mirage in the desert?

The Hon. R.G. PAYNE: It is not a mirage—on the contrary, the houses will start to be occupied this week. The first batch has arrived and are already completed so, clearly, there is no mirage, and I do not know to what the Deputy Leader is referring. As I was saying before the rather weak attempt by the Deputy Leader to distract me, it is quite clear that South Australia might well be prospective, based on the mineralisation which is now thoroughly well known at Roxby. I remind members that we are talking about the possibility of, say, 1 000 tonnes of gold over the life of the Roxby deposit. Compare that with the 15 tonnes produced throughout South Australia's history, and it is quite easy to understand why somewhat more interest may now be shown in South Australia's gold prospects.

HOME DETENTION

Mr BECKER: Will the Minister of Correctional Services confirm that one of the first prisoners to participate in the new home detention scheme breached the conditions of his release within four days but has been able to evade serving the remainder of his prison sentence? The Opposition has been reliably informed that one of the first three prisoners to participate in the new home detention scheme was returned to gaol within four days for breaching the conditions of his release. I can give the Minister the name of the prisoner involved if that will help him. The prisoner was returned to gaol but was then released virtually immediately by the gaol manager, using his discretion under the Correctional Services Act.

As a result, this prisoner gained release 27 days before his sentence expired. I am further informed that this has caused serious concern to correctional services staff and police officers. If the circumstances are as they have been related to me, the case appears to be in complete conflict with the statement made by the Minister on 25 November last year when, in announcing the home detention scheme, he said:

> If any condition is breached, they are liable to be returned to prison to serve the remainder of the sentence.

The Hon. FRANK BLEVINS: I fail to see the conflict. The prisoner concerned, I understand, had some domestic problems when he was on home detention. The correctional services officers in charge of that prisoner suggested that perhaps as he was having these domestic problems he would be better off back in gaol. That will happen on numerous occasions in connection with periods of home detention. It is not going to be—

Members interjecting:

The Hon. FRANK BLEVINS: It is not, when you are dealing with prisoners.

An honourable member interjecting:

The Hon. FRANK BLEVINS: I thank the member for Murray-Mallee for his protection.

The SPEAKER: Order! Any protection that is required will be provided by the Chair. We will not have any protection rackets on the side.

The Hon. FRANK BLEVINS: Any program at all where one is dealing with prisoners will never be 100 per cent effective. One is dealing with people who have some problems with living in the community, or else they would not be in prison in the first place. So, I suggest that this prisoner may be the first of many who, when they go back into the community, have some problems in adjusting, even within a program of home detention. Relationships do break down from time to time in every section of the community. No section of the community is exempt from having domestic problems and a breakdown in domestic relationships. I am sure that the member for Hanson would not suggest otherwise.

Mr S.J. Baker interjecting:

The Hon. FRANK BLEVINS: 'The mouth that roared' again, the member for Mitcham, asked, 'Why was he released?' It was because the relationship between the prisoner and the person with whom he was staying was stable. I do not want to go into any details, but relationships break down, as we all know, at a minute's notice: on occasions without warning one is confronted with the total collapse of a relationship. This happens right across the board, to high and low—it makes no difference.

With regard to the 27 days early release, if that is the case I will certainly have a look at it. The discretion of the Executive Director within the system has been reduced to 30 days under this Government: it used to be 60 days under the previous Liberal Government. Due to the quite widely publicised and accepted overcrowding in prisons, from time to time various institution managers must, on the authority of the Executive Director, release prisoners within the law prior to the completion of their sentence. That happens virtually every day in every prison under this Government, as indeed it did for much longer periods—which I will be happy to research for the honourable member—under the previous Government, so there is nothing new in that.

I regret that one of the prisoners on home detention has been returned to gaol: he is the first, but he will not be the

last. The level of surveillance is intensive and home detention can be as demanding on a prisoner as being in gaol: it is not a soft option, and I think that this example proves that.

SUBMARINE CONTRACT

Mr RANN: Will the Premier inform the House of South Australia's progress in the bid for the Royal Australian Navy submarine replacement program? There has been publicity in recent weeks about the success of one of the two final tenderers in the first design phase of the replacement program. I hope that the Premier can inform the House whether this development will have any effect on the State's bid to secure the $3 billion program.

The Hon. J.C. BANNON: I thank the honourable member for his question. The period of consideration of the submarine project, and the decision about it, is entering a critical phase. It is a phase which, while the State Government can have no direct influence, is nonetheless a period when we have to maintain to the greatest extent possible our pressure on the Federal Government to ensure that a commercial decision is made, because we remain confident that a commercial decision will favour the Port of Adelaide as the construction site.

The project is by no means in the bag, and I think that that must be stressed. There have been a number of premature announcements that South Australia will be the site, that we are favoured, and so on. All I say to that is that all the signs and pointers are there, the feedback is good and there is no doubt that we are highly placed, but we have not got it in the bag. In that context, the reports to which the member refers have some considerable relevance. There is no doubt an intensification of rivalry between the two competing tenderers, both of them powerful and competent consortia, both believing that they should get the job, and there is a lot of rumour and innuendo flying around as consideration goes on.

In fact, as well as the report mentioned by my colleague the member for Briggs, the member for Semaphore drew my attention to a report in a newsletter which emanates from Canberra on a regular basis and which referred to serious concerns in the industry that the submarine project may be scuttled. As the member for Briggs has said, mention was made of the Swedish Kockum design appearing to be superior technically to the design of its German competitor. I have no evidence as to whether or not that is really the case. Obviously, that is an assessment that is being carried out. There is a whole series of considerations, including capacity and Australian industry participation, which are part of that equation.

I do not think that anyone is in a position to say at this stage that either of the consortia has an advantage or does not have an advantage: that is purely speculation. Both of them are in there and have submitted competitive tenders. The important thing for South Australia is that we believe that both of them must favour the Port of Adelaide construction site. Based around the dealings that we have had with those two groups and based around the information that we have been able to present to Defence, we believe it does not matter whether the HDW German syndicate or the Kockums Swedish syndicate gets the job. As to reports that the Navy—

Members interjecting:

The Hon. J.C. BANNON: This is a serious matter, because the report states (and I ask members to note this) that the whole project in fact may be in jeopardy. The report states:

> They believe that the Navy has brought forward the project—

The Hon. E.R. Goldsworthy interjecting:

The Hon. J.C. BANNON: Is the Deputy Leader aware of this? If he is, I do not think that other members are and I suggest that he listens. The report states:

> They believe that the Navy has brought forward the project for eight surface combatant vessels to be built in Australia, supposedly almost in parallel with the construction of six new submarines, to kill off the sub project.

This is the matter that the member for Semaphore referred to me. All our information says that that is absolute nonsense. It is certainly true that the surface combatant project is being brought forward, but that is in order to complement the submarine construction activity and the industry involvement associated with it. I believe that that will provide benefits for South Australia because, while I do not think on present indications that we can expect to get a surface combatant project, there is no doubt that we can get part of that work, particularly if we have the submarine construction site in South Australia.

There is no truth in that aspect of the report. I understand that the Navy remains fully committed to the submarines and that progress is being made. As part of our effort to continue to keep South Australia's claims high, tomorrow Senator Button, the Minister for Industry and Commerce, will visit Adelaide. Tomorrow afternoon I will accompany him and will look at the proposed construction site, inspect the progress on the ship lift facility at Port Adelaide and generally continue to impress on him that South Australia is the place for this project.

COMPULSORY UNIONISM

Mr S.J. BAKER: My question is directed to the Premier. Is the Government examining its equal opportunity legislation following last week's landmark decision in Victoria with respect to compulsory unionism, and will it now withdraw its preference to unionists policy in view of this decision? Last Thursday's decision by the Victorian Equal Opportunity Board has been interpreted as being the most serious threat yet to the Labor Party's insistence that workers should be forced to join a union. As a result, the Victorian Government announced yesterday that it was reviewing its equal opportunity legislation. The decision also has clear implications for South Australia, as there are marked similarities between South Australian and Victorian equal opportunity legislation.

The basis for the board's decision was that people should not be forced to join unions affiliated with the ALP as this effectively forced them to give financial support to political activities with which they might not agree. Many public sector employees in South Australia are in this position in that the Government's preference to unionists policy forces them to join unions which are affiliated with the ALP. We know, for example, that the Public Service Association is affiliated with the ALP.

Members interjecting:

The SPEAKER: Order!

Mr S.J. BAKER: Members opposite should understand that some $100 000 was placed into the ALP funds during the last election campaign.

The SPEAKER: Order! The honourable member for Mitcham is proceeding to debate the content of his question and he is not sticking to a strictly factual explanation. In fact, I would go so far as to say that the question that he has asked can stand pretty well on its own without any of the explanation.

Mr S.J. BAKER: Thank you, Sir. I was trying to clarify the affiliation between the Public Service Association and the Australian Labor Party. This even extends to unemployed people seeking job creation work. The Victorian decision gives the Government two choices: to review the equal opportunity legislation to ensure that the ALP's funding base is protected—

The SPEAKER: Order! The honourable member for Mitcham is still debating the question. The honourable Minister of Labour.

The Hon. FRANK BLEVINS: I think that the importance of this Victorian decision has been grossly overstated. That is not just my opinion: I happen to agree with the opinion, as far as it went, of the Employers Federation, which said the same thing: that the importance of this had been overstated. Let me make one thing clear at the outset: this State Government does not have a policy of compulsory unionism, nor has the ACTU. That is a fact. We have a policy of preference for unionists. Within our employ we give preference in employment to a well conducted unionist, but there are in the public sector probably thousands of employees who are not members of an appropriate trade union. I regret that. I think that they are wrong, and I make no bones about saying that, but that is their decision and they are not dismissed or in any other way singled out by the Government. There are thousands on the State Government's payroll who are not members of a trade union—directly in the Public Service, in the statutory authorities, and in any area where we have employees.

So, to suggest that we have a policy of compulsory unionism flies in the face of the facts: it is absolutely incorrect. The type of unionism that brought forth this case was that of an employer refusing to employ this person who took the case in Victoria because that person was not a member of the union. It seems to me rather odd that the conservative forces in Australia are praising this as a landmark decision, because the employer has been fined. It seems to me that, if the employer does not want to employ a specific individual because he is not a member of a union or for any other reason, the conservative forces throughout Australia would say that that is the employer's absolute right: to decide the criteria and to employ whom they wish to employ. I should have thought that that would be the principle you held, but you do not because you are hypocritical.

The SPEAKER: Order! The Minister will direct his remarks through the Chair.

The Hon. FRANK BLEVINS: Certainly, Sir. They do not, of course, because they are hypocritical. I am referring to the conservative forces, without singling anyone out. They want the employer to have an absolute right to do something when it suits them but, when it does not suit them, they introduce other extraneous matters to the debate and therefore dilute their principles. Do members opposite say that GMH, Perry Engineering and all the other employers who choose not to have non-unionists on their premises are wrong?

Opposition members: Yes.

The Hon. FRANK BLEVINS: Then I suggest that you go out to the business community and tell them, because the business community overwhelmingly says, 'We want to conduct our industrial affairs with the union. We don't want to do it with maybe several hundred or even several thousand individuals. We prefer to do it in an organised way through the trade union movement. That has a great deal of benefit for us.' That is essential if you are to have a system that is based on the Arbitration Commission and on centralised wage fixing.

Members interjecting:

The SPEAKER: Order! The Minister can give his reply without assistance from the members for Murray-Mallee, Mitcham, Mawson, Todd or Fisher.

The Hon. FRANK BLEVINS: The Opposition from time to time makes these statements, and it is no wonder that the business community in the main regards the Opposition's industrial policies with contempt. Next week I will detail this to the House. I was not going to, but I will next week—

Members interjecting:

The Hon. FRANK BLEVINS: Well, the week after next. I will then tell the House just what Australian employers think of the Liberal Party's industrial policies. They are a joke.

SITTINGS AND BUSINESS

The Hon. D.J. HOPGOOD (Deputy Premier): I move:

That the House at its rising adjourn until Tuesday 10 March at 2 p.m.

Motion carried.

MOTOR VEHICLES ACT AMENDMENT BILL

The Hon. G.F. KENEALLY (Minister of Transport) obtained leave and introduced a Bill for an Act to amend the Motor Vehicles Act 1959 and to make a related amendment to the Local Government Act 1934. Read a first time.

The Hon. G.F. KENEALLY: I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

The proposed amendments to the Motor Vehicles Act, 1959, have a two-fold purpose:

1. To allow vehicle owners residing in Coober Pedy and Roxby Downs to continue to receive a 50 per cent concession on registration fees.

2. To facilitate the hearings of disciplinary matters coming before the Towtruck Tribunal.

'Outer Areas' Concession

It is proposed to amend section 37 of the Motor Vehicles Act to include the recently established district council areas of Coober Pedy and Roxby Downs in the definition of 'outer areas', so as to retain the registration concession for residents in these areas. Section 37 provides for a 50 per cent concession on the registration fees on vehicles owned by residents in outer areas.

Towtruck Tribunal

The proposed amendment to section 98pc of the Act provides for the presiding member of the Towtruck Tribunal to be appointed from the judiciary on the nomination of either the Senior District Judge or by the Chief Magistrate, at the request of the Minister of Transport, or at the Minister's discretion to be a legal practitioner of at least seven years standing. Under the present provisions of section 98pc, the presiding member shall be a judge of the District Court, a special magistrate or a legal practitioner of not less than seven years, and shall be appointed by the Governor for a period not exceeding three years.

The proposed amendment will allow any member of the judiciary to be a presiding member of the Towtruck Tribunal on an *ad hoc* basis, so as to overcome existing problems where, because of court commitments, a permanent presiding member is not always available to hear a disciplinary matter coming before the Towtruck Tribunal. Whilst there is not a great number of matters coming before the tribunal, they invariably affect the livelihood of towtruck operators and any delay in hearings can incur severe economic losses.

Clause 1 is formal. Clause 2 extends an entitlement, currently enjoyed by residents of outer areas, to persons who reside within the areas of the District Councils of Coober Pedy and Roxby Downs, to pay one-half of the prescribed registration fees under the Motor Vehicles Act 1959 in relation to such of their motor vehicles as are kept and used within those areas.

Clause 3 substitutes section 98pc of the Act which provides for the constitution of the Towtruck Tribunal. The section provides that the presiding member of the tribunal shall be a person holding judicial office under the Local and District Criminal Courts Act 1926 a special magistrate or a legal practitioner of not less than seven years standing. The new section provides that the presiding member will be a District Court judge nominated by the Senior District Court Judge, a magistrate nominated by the Chief Magistrate or a legal practitioner of not less than seven years standing appointed by the Governor. A District Court judge or a magistrate will not be nominated unless the Minister indicates to the Senior Judge or Chief Magistrate a desire to have the position filled from the judiciary or the magistracy. The other two members of the tribunal are appointed by the Governor on the nomination of the Minister: one person is selected by the Minister from a panel of three persons nominated by the Motor Trade Association of South Australia Incorporated (formerly the South Australian Automobile Chamber of Commerce Incorporated) and the other is a person who, in the opinion of the Minister, has appropriate knowledge of the towtruck industry. The remaining provisions of the section relating to terms of membership, deputies and members allowances remain substantially the same. Clause 4 effects a consequential amendment to the Local Government Act 1934.

Mr INGERSON secured the adjourment of the debate.

FISHERIES (GULF ST VINCENT PRAWN FISHERY RATIONALISATION) BILL

Adjourned debate on second reading.
(Continued from 25 February. Page 3176.)

Mr GREGORY (Florey): I wish briefly to continue my remarks from last evening. I was astounded when the member for Eyre said that the fishermen's contribution to a fund to pay for the buying out of six boats in the fishery would not be a tax deduction.

Mr Gunn: It depends on how you do it.

Mr GREGORY: I thought that the honourable member was a fairly astute business person, but on this occasion he is not displaying as much astuteness as he should.

Mr Gunn interjecting:

Mr GREGORY: You know something about avoiding paying tax, do you? Is he one of those people who support not having to pay tax?

The SPEAKER: Order! If the honourable member for Florey wishes to refer to the honourable member for Eyre, he will do so in the third person, not as 'you'. The honourable member must direct his remarks through the Chair.

Mr GREGORY: Mr Speaker, I was just asking the question: is he one of those persons in Australia who does not wish to pay tax at all but who expects the PAYE people to pay it? That is precisely what this is all about. This will be a cost that they can deduct in respect of their tax. But, when we go back through the record of the Liberal Party, we find that, when the fishermen in the Kangaroo Island fishery were dispossessed, there was no compensation, whereas on this occasion those who are being dispossessed will be compensated. This is a reasonable form of compensation and would be much better than the fishermen would get if we did what the Party of the member for Alexandra wants us to do: wait and see.

As I said last night, we would wait and see all right until we could see nothing but the sea and there would be no prawns there to see. That is precisely what the Opposition's remedy for this problem is—it is not prepared to take a hard decision. It was when the Liberal Party was in Government—and a number of members opposite were in the Cabinet—that that was approved. We are in the mess we are in now because members opposite were not prepared to be tough in implementing its decision.

I am confident that when this Bill is passed and proclaimed there will be adequate compensation for the people concerned; that the fishery will be profitable; that those left in the fishery will be able to get larger and more adequate catches of bigger prawns than they are getting now; that the catches will bring more on the market; and that it will be better for the fishermen and the people working in the processing industry, as well as for the Government. I support this Bill and reject the nonsense we have heard from the other side of the House and their lack of action.

The Hon. TED CHAPMAN (Alexandra): The catching and marketing of fish has been an important ingredient in South Australia's primary industry since settlement and therefore important to the State's economy. In our marine and inland waters families have geared themselves to participate in commercial fishing to meet both domestic and export markets. In addition, the practice has progressively attracted a growing number of recreational participants. Traditionally, and in fact, the fish resource within the inland waters of South Australia and around the coastal seas represents a very vast public asset.

It is accepted by the public and those active in the industry that some resource management is desirable, and the Government's involvement in the industry has been accepted for a very long time. It therefore follows—and is accepted—that, given industry and recreational representation, the State Government should be legislatively involved in that management administration. I do not accept that the resource in question in this Bill before us today should be the subject of administrative interference by either the Government or the fishermen in isolation from one another.

Accordingly, Ministers of Fisheries in South Australia have consistently given undertakings that, before administrative changes are contemplated in any sphere or at any level within the industry, proper and rational consultation will occur. Ministers of both political persuasions have, almost without deviation, adhered to this undertaking. I do not want to canvass today those incidental and isolated occasions when such undertakings were deviated from by predecessors of our current Minister. However, as a general rule, certainly over the years since I have been in this place, undertakings to consult with the industry about matters involving it have been generally and fairly honoured.

In the meantime the people in the fishing industry have become victims of their own propaganda and, I believe, bogged down in an incredible public bureaucracy and an even more incredible load of regulations far and beyond what is required. Again, that is not a matter that I will canvass today in any sort of detail, but I make that observation. The industry wanted a lot and it got a lot. Indeed, there was too much encumbering legislation and too many regulations surrounding the industry. It is fair to admit that in most, if not the vast majority, of those cases the fishermen themselves have at the time sought the respective regulations on themselves from the Governments of the day.

However, we are stuck for the moment with these encumbrances, overlapping administrative anomalies and inconsistencies in the industry. If I were Minister of Fisheries I can assure the House that there would be a fair amount of hacking away at that bureaucratic activity. Perhaps that is why the Cabinet of 1979 readily accepted my proposal to have the fishing industry identified under its own Minister and separated from those involved in primary industry on the land. Currently we have a Labor Minister of Fisheries who has demonstrated by his recent actions that he has no real feel for the industry or the families dependent on it for their livelihood.

It is the current Minister's incapacity that I wish to address in particular in this debate. The Minister lacks the sensitivity required for the job. He is an amateur, indeed arrogant, and a serious handicap to the long-term future of the industry and the level of participant confidence which is required. In my opinion the current Minister poses a dangerous threat to our primary industry, both on the land and on the sea. Many primary producers expressed grave reservations about his predecessor, Minister Blevins, but those same people would now hasten to have Minister Blevins back again, if given half a chance.

The Hon. J.C. Bannon interjecting:

The Hon. TED CHAPMAN: I will demonstrate the incapacity of the Minister, through you, Mr Speaker, to the Premier, who is interjecting at the moment, when I refer more particularly to the intent and detail of his Bill. I want to cite some of his behaviour relating specifically to prawn fishing and the present Bill before us, especially as it applies to our near gulf and straits waters.

The Gulf St Vincent and Investigator Strait contain an enormous area of water ranging in depth from the near coastal and upper gulf reach shallows to approximately 23 fathoms in the open sea. There are millions of hectares of rich resource marine bottom out there. A large proportion of this seabed is sandy and contains very large quantities of prawns. These prawns have been harvested commercially for at least the past 20 years. The gulf zone had 10 State licensed Government vessels operating in 1973, and the number of licences was increased to 14 by the Hon. Brian Chatterton during the Dunstan Government era in 1976.

In the meantime the Investigator Strait's waters (that is, those waters to the north of Kangaroo Island) were then under Commonwealth control. Via that Administration eight annual permits were issued. Initially it involved some mainland based families, who subsequently moved their base port to Kangaroo Island. Our island fish processing factory was established, and the prawn industry, in turn, became an important part of our local economy.

Despite Commonwealth and State undertakings to ultimately revert those annual prawn permits to State licences, this has never actually occurred. Those eight fishing families have been progressively reduced to two over the past 10 years or so. The reason for their respective withdrawals or demise has been well canvassed in this House. The fact remains that the Brown/Mancer and Smith family outfits survived until this present Minister came on the scene.

These families have religiously participated in extensive research in cooperation with the department and have gone about their business of fishing within the State's guidelines in a most responsible way, especially since South Australia adopted the care and management control of the State's waters in recent years. They have fished (although up to a common east/west boundary between the two zones) in isolation from their counterparts in the Gulf St Vincent fishery. This activity in Investigator Strait has not been without vicious abuse and industrial and personal attack from certain jealous individuals in the gulf prawn fishery.

The island based fishermen have taken that on the chin, with very little reaction or counter-attack. Our island based fishermen, I repeat, have gone about their business professionally and quietly. It has been lucrative for the families concerned, their employees, and the island community at large. The alleged threat of depreciating prawn fishing stock has arisen from time to time, but I believe that this threat is without much foundation or hard evidence. However, that is not the issue today. This measure involves a dramatic step in the history of this industry. The Minister proposes to introduce legislation to facilitate a Government buy-back scheme—a new, unprecedented, and dangerous dimension in the State's fishing industry. It constitutes a major move in the State's fishing stock management and has not received the consideration that it deserves. Promises made by the Minister's predecessors, and latterly breached by the present Minister of Fisheries in working up the legislation in the way that he has, are very disturbing.

Early last year, and without official industry support, the Minister engaged Professor Copes to investigate the alleged threat to our prawn stocks and recommended management changes that he considered to be desirable. My colleague the shadow Minister of Fisheries (Hon. Peter Arnold) has canvassed the specific details of the Copes report earlier in this debate. The Minister was asked about the future of the island based straits fishermen during the Estimates Committee debates held last September and October. Both at that forum of the Parliament and on 21 March 1986 the Minister clearly and respectfully acknowledged the island fishermen's place in the industry.

In fact, at the latter meeting (sponsored by the UF&S) at Kingscote the Minister said, in response to questions about the future of the island fishermen in light of the Copes report, 'You boys will be all right—you've got nothing to worry about.' A report taken at the time indicates that the Minister also said, 'I will ensure that all of the prawn fishery licensees will be given fair and equal treatment if boats are to be removed from the industry.' The Minister's remarks were taken in good faith, as were those made by the Director of Fisheries when approached on the subject. Before and after the March 1986 meeting the remarks made were consistent with those made on a number of occasions by the Minister's predecessor (Hon. Frank Blevins) and when Maurice Corigliano was vigorously seeking to whip up a case to get rid of the island based fishermen at any cost.

Without the specific support of the Copes report recommendations, the Minister then took the incredible step of axing from the industry the only two island based fishermen, who were removed from both the prawn and the scale fisheries for which they have been State licensed for more than a decade. He did this apparently with Cabinet support on 1 December 1986. However, he did not advise the fishermen until after Question Time had been concluded in Parliament on the last sitting day of the 1986 session, that

is, Thursday 4 December 1986. He arranged to have the fisheries officer on Kangaroo Island hand deliver the letters to the 'victims' after 3.30—following the conclusion of parliamentary Question Time on that last sitting day.

One way or another, the Minister pursued these sneaky tactics up to the end of December, when the fishermen were effectively removed from the industry by the Labor Government. The Minister refused in the interim to see a formal deputation from either myself, as local member, or the fishermen. The perseverance and the blackmail strategies adopted by the Minister and his staff to keep the thus affected fishermen away from the media during December 1986 were an absolute disgrace. The Minister himself even pursued that blatant tactic against one of the fishermen at a pre-Christmas drinks party on the evening of 16 December last year. The inconsistency of the scheme to compensate the fishermen, following the demise of their operation, will be canvassed further during the Committee stage of the Bill.

During the few minutes I have left, I will respond to some comments made in this debate by the member for Florey. He talked about the fairness shown by his Cabinet colleagues and referred to the figure of $450 000 as being an assured level of compensation to be extended to the two island fishermen. However, the honourable member did not talk about the $600 000 compensation that has already been promised to one fisherman who volunteered to withdraw from the industry, for his or his family's own good reasons.

The Hon. H. Allison interjecting:

The Hon. TED CHAPMAN: I understand that some arrangement has been made in relation to the fisherman who volunteered to withdraw to receive $600 000 for both his licence and his vessel. I do not know what his vessel is actually worth in this instance. The two Kangaroo Island fishermen's boats, by virtue of their design, without a licence are virtually worthless: they are like a pub with no beer. Because of their style, design and rigging they would be almost useless in any other fishery. But even if they were convertible or reasonably suitable in any other area of the fishery, those two fishermen have been advised formally by letter (a copy of which I have) that they cannot even retain their scale fishery licences. So, they do not have a licence.

The Hon. H. Allison interjecting:

The Hon. TED CHAPMAN: In response to the interjection by my colleague the member for Mount Gambier, anyone can get a licence. They can go out and buy it. Whilst $450 000 might sound enormous to us on our meagre salaries, that is not the case for those people who have involved themselves in significant debt over a relatively short term of their life to set up in a specific profession. They are now saddled with servicing the debt also out of the so-called adequate compensation payment. Also, they are saddled with the prospect that, if they want to remain on the sea and fish for a living, they must go out and buy another licence in the scale fishery or some other fishery where a licence is transferable. So, by a stroke of the pen, they are virtually denied the opportunity of continuing in their business and are indeed denied any capital which their outfit, with its licence of course, has accrued over the period of their operating in the industry.

Quite apart from the cold, hard monetary aspects of this exercise, these fishermen have acted fairly and have cooperated, and they have not deliberately broken the law or been in any way undesirable characters. They have very nice families and are constituents of mine. They are damned good blokes, and I believe that the treatment that has been dished out to them is absurd. Part of the strategy in introducing this Bill has been to cut off their heads and maybe some others, although we are not sure whether the others will be in it or not. It depends on the depth, strength and validity of the lobby as to whether or not earlier statements made by the Minister are adhered to.

That is another issue we can canvass in the later stages of this Bill. In the meantime, it is as crook as crook to introduce legislation which will apply to relatively few people in the community. Members who were around 10 or 15 years ago will recall my attitude to that sort of legislation when we had the so-called Warming Bill before us, involving an almost identical situation, except that in that case Brian Warming's activities were considered publicly to be untoward. In this case, my people's activities and participation in the fishing industry are top class and highly regarded. They have a reputation of which they can be proud, yet they have been victimised, despite the undertakings of Ministers of both persuasions over the years, and indeed absolutely sabotaged and, as it were, cut off at the knees by the Minister with whom we are saddled for the moment.

Mr HAMILTON (Albert Park): I support the Bill. I, like many members in this place, have been involved in this issue. It has been a long running, controversial and, at times, very bitter debate. Understandably, those people who are adversely affected will feel bitter: there is no question about that. I know from the five fishermen involved within my electorate the feelings of a number of them: two in particular have come to see me on a number of occasions and, as is their right, they have requested that I approach the appropriate Ministers. Those requests were carried out, and I tried to the best of my ability to assess what was required to help them. I must say, however, that I was unsuccessful in satisfying their demands in terms of the views they expressed at those deputations.

I have also noted the history of this saga, which goes back, I believe, to November 1978. Because I have been asked to curtail my remarks in this debate, I will not refer to the very lengthy documentation I received on this matter in November 1983, but I have an extensive file on this matter, following the approaches made to me by two constituents. We have all noted the comments on what took place in 1980 in relation to the introduction of triple rigging, and the expressions of concern from various fishermen that these areas would be in danger of being over-fished. It is rather difficult for lay persons such as myself to consider this matter—and I am certainly not trying to cop out—but it was said, based on the best advice given to me and to my two constituents present at those deputations at the time that their requests could not be agreed to.

We all know that the inquiry set up by the present Minister was proceeded with and various recommendations were made to the fishermen affected by that inquiry. It has been suggested to me that perhaps the Government has not gone far enough on this issue and that it should have withdrawn more boats from the industry. However, I think that the Government, having commissioned an inquiry, would have been foolish to take out more boats from this industry because, justifiably, the opponents of the Government legislation would say, 'What's the point of setting up an inquiry if you're not prepared to listen to and act upon the recommendations of the Copes inquiry?' I believe that we would have some difficulty justifying the lack of action on those recommendations.

I believe, from our discussions that took place on his committee, that the Minister has looked at this question very thoroughly. As I said, it is a very vexed question but one with which the Government will have to come to grips. I believe that the Minister and the Government have been

courageous enough to make a tough decision. Only time will tell whether the decision of this Government has been correct or otherwise. In the past, as the member for Alexandra has said, successive Governments have endeavoured to address this question.

Allegations have been made as to the competence of people within the department and the credibility of the senior officers concerned. I think it is unfortunate that reflections have been made upon those people, although I do not want to go any further than that and open up old wounds. Suffice to say that I support the Bill although I believe, from what I hear, that its passage will have some difficulty through the Upper House. Nevertheless, the Government has made a tough decision. Only time will tell whether we are proven to be correct, but I believe that the Government has made the correct decision.

Mr M.J. EVANS (Elizabeth): I would like to briefly canvass a number of the issues raised by this Bill. They are very difficult and complex issues of environmental management in its broadest sense. I certainly do not claim to be in any way an expert, either on that broader issue or on the more particular matter which we find before us today, but I have been involved at Government and Public Service level in examining some of the issues and controversies surrounding this problem for many years. I believe that that background certainly entitles me to comment on it, if not as an active participant then as an interested and concerned outsider.

My first priority as a member of this House would be to see that the measure before us establishes a viable industry based on a renewable resource, and I am sure that that objective will be shared by the whole of the Parliament. It is critical that our rural industries, in particular those based in the same way as with the fishing industry, achieve a viable growth base, wherein, as in this case, only the harvest is taken from the fishery and the stock on which it is based is not damaged. I have some concerns as to whether the Bill will achieve that objective, and I would like to come to that in a short while. It worries me that we will end up with the situation of 10 boats operating under very strong financial pressure, which may well be tempted and possibly allowed—depending on the circumstances—to do as much damage to the fishery as 16 might previously have done.

It seems to me that the Bill does not necessarily guarantee—and perhaps the Minister can cover this point in his reply, because I did not see it thoroughly explained in the second reading explanation—that those 10 boats are in any way limited as to the output they can generate, and if we see improvements in fishing technology, and if those boats are operating under extraordinary financial pressure (as they will be to meet the demands which the Bill imposes on them), then I am very concerned that this reduction in the number of boats will not necessarily guarantee a reduction in effort.

I am also concerned that we need to view the industry as a whole. The Spencer Gulf fishery has 39 boats in that area. That is obviously the major resource. Looking at statistics from the past few years it is possible to be equally as concerned now about the state of that fishery as some were five years ago about the state of the fishery with which we are now dealing in a crisis situation. I do not claim to be aware of the biological and fisheries management aspects of Spencer Gulf, but it seems to me that to address this one fishery in isolation is neither possible nor desirable. We have to look at the industry and its financial viability as a whole and as a biological whole. We are here as a State Government to manage all of those fisheries and not just some in isolation.

I do not necessarily think that the problems that have arisen in Investigator Strait and Gulf St Vincent can be isolated from the problems of the Spencer Gulf: nor, indeed, can the 39 boats that have done quite well from what statistics show over the past few years necessarily isolate themselves from the financial problems of the remainder of the industry. The State Government finds itself in a difficult position. The State has been advised by successive departmental officials who are charged with responsibility for managing the fishery. I will quote from the functions and objectives statement of the Department of Fisheries as it appeared in the last annual report. The department states an overall function which relates to conservation enhancement and management of fisheries. It goes on:

> Consistent with that overall function, the department has as its principal objectives:
>
> 1. Ensuring through proper conservation and management measures that the living resources of the waters to which the Fisheries Act applies are not endangered or overexploited; and
>
> 2. Achieving the optimum utilisation and equitable distribution of those resources.

If they are the objectives of the department—and quite properly they are and should be (and I wholeheartedly support them)—it seems to me that those objectives have not over the past few years been adequately met. I do not think that this comes home to either a particular Government or a particular Minister in that regard: it has to be looked at from the department down, in effect. Although our Westminster system usually requires us to address ourselves to the responsibilities of Ministers, I think that in this case, under changing Ministers, the department as the ongoing custodian of the research and expertise in a complex and technical area must at least bear part of the responsibility for our finding ourselves in the present position. After all, it seems quite clear that if a fishery is highly regulated, as this one has been from day one—as I understand the position—and if the department has pursued its objectives of ensuring that none of the resources were endangered or overexploited, and that the optimum utilisation and equitable distribution of those resources had occurred, then I very much doubt that we would be allowed to find ourselves in the present crisis position.

It seems to me that since the department, on behalf of the Government of the day, whatever Government it may have been—and both Governments have been heavily involved in this area of fisheries management—had taken those licence fees in exchange for services rendered, then it had been taking them under false pretences to some degree, because we have not arrived at a situation where those obligations have been properly honoured. I am not placing the blame on individuals but addressing myself to the way in which we find the fishery now and to the objectives of the departments set to manage that fishery from day one.

Fishermen, of course, in the course of the fishery have made many demands on and requests of Government. Many of those demands have been quite vigorously pursued, and I know that their lobby is a particularly strong one. They have pushed on behalf of their industry for various assistance and concessions in the form of additional rigging and transferable licences, and so on. The list of demands and requests to Government and the department is endless. Unfortunately, a number of those demands were in fact met by various Governments and that is probably a substantial part of the problem.

I am afraid that when you are in charge of the management of a resource like this it behoves you to say 'No' on occasion and although I think some of the blame must rest with the fishermen for having made making those demands in the first place, it is also true that the word 'management'

implies responsibility to say 'No' as well as to say 'Yes'. Although it is often easy to say 'Yes', it is certainly the case that the fishery might have benefited from less easy acquiescence on the part of the department in the past.

The original licences issued to those who first entered the industry many years ago were accompanied, as I understand it, by a long letter from the then Director of Fisheries which made it quite clear that those licences would be non-transferable and that, in the event there were problems in the industry, it would be based on a 'last in first out' option. That letter was not sent to all of those who have subsequently entered the fishery, but it was the basis on which the original licences were issued and on which the management of the fishery began.

Quite clearly, the purpose of one year licences was to ensure that the Government of the day was in the position to revoke or allow those licences to expire if at the end of the year the fishery was in trouble. It seems quite clear to me that the only purpose for issuing one year licences was to achieve that effect. If the Government and the department of the day in 1970, or thereabouts, had been confident that those fishermen could go out into the gulf with triple rigging and the like and hack into the fishery to their heart's desire then they would have given them 10 year or lifetime licences. However, they did not: they issued those licences for one year and the purpose behind that one year licence is inescapable; it was to allow those licences to lapse if and when the fishery was clearly overtaxed.

Unfortunately, with the transferability of licences came the taxi situation where an auction was conducted for licences in the private sector. The price was bid up and up and now licences are changing hands for figures of the order of $500 000. I consider that to be a very dangerous situation because it places far too much value on the licence and not enough value on the boat, the equipment and the expertise and on the long term nature of the resource, which is so easily damaged and so very fragile.

The excellent concept of the one year licence not to be transferable was soon replaced by the $500 000 licence and, of course, then the stake of the people involved had multiplied enormously. Unfortunately, we saw what happened in Investigator Strait, where people had experimental licences. I draw members' attention to the title of the regulations which includes the word 'experimental' and which would have implied to me as a purchaser of a boat in that context, or indeed as a trader in a licence, that those licences were issued for experimental purposes and it was quite possible that they would not be renewed at the end of 12 months.

Ultimately, statements were issued and obligations entered into. People developed an expectation that those experimental licences, those original Commonwealth permits, would become long term licences to print money: therein lies the problem. I certainly do not have the right answer to that in all its forms, but the situation that we have seen develop with the high costs of those licences, and the fact that people have $500 000 riding on them, seems to me to be very much part of the problem.

I draw to members' attention the fact that in other aspects of private enterprise business where people pay for goodwill, which is in essence what is happening here, they are not always given the same degree of protection of requiring their colleagues to buy them out of business when times turn down. I remind the House that, in my experience, when the Elizabeth City shopping centre was transferred to Myers three or four years ago, a number of shopkeepers in that centre had only in the past couple of years purchased the goodwill for leases for figures between $100 000 and $200 000. When Myer took over that shopping centre many of those people were simply required to walk away from their shops at the end of their leases leaving behind the $100 000 or $200 000 that they had paid in goodwill. There was no legislation to require the remaining shopkeepers to pay out the goodwill.

I do not suggest that we need to be quite as harsh in this instance. Given the nature of the commitments that the department and successive Governments have made to these fishermen, that would be inappropriate. We need to remember those other examples of free enterprise decision making and we need only look to Question Time today to see the plight of farmers in the rural areas who are required to walk away from farms and from debts worth hundreds of thousands of dollars, with no requirement that their fellow farmers should further saddle themselves with debt so as to provide them with an easy way out of the industry.

I agree that it is a complex problem. I congratulate the Minister on at least bringing a Bill of this nature into the House. It is long overdue that strong measures are taken in this industry and I believe that this Bill is a very good start. I return to my first point about the viability of a renewable industry. Can 10 boats, with no guarantee of reduced catch and reduced effort, remain in a viable industry when we put them under a debt level of $80 000 a year, whether or not that is tax deductible? It seems that that question is central, and I do not have the answer. I hope that the Minister will provide at least part of the answer in his response. I want to see this industry survive. I do not want to see people leaving it under circumstances of great hardship, but there are problems to be faced and the responsibility has to be spread much wider than that initially sought by this Bill.

Mr PETERSON (Semaphore): I congratulate my colleague on his quick grasp of the situation. Professor Copes recommends in his report that the number of boats (which in this case is 10) should be minimised and the efficiency should be maximised.

The Hon. Ted Chapman interjecting:

Mr PETERSON: He says, 'Minimise boats, maximise effort.' A fishing officer was quoted in this House as saying that a greatly increased effort by the remainder of fishermen will be expected. There is no guaranteed improvement in the fishery, whatever we do. There is no doubt by anybody who has had anything at all to do with the fishery, at least in the past eight to 10 years, that some action has to be taken in order to control what is happening. I have raised the problems of Gulf St Vincent many times and I am sure that anybody who has been here during that time will know that. On 20 August 1985 I proposed that a select committee be set up to look at the problems in the fishery. Just after that an election was held, the Government was re-elected and Professor Copes was invited to Australia.

We now have a report, with subsequent legislation, which it is hoped will cure the ills and the alleged mismanagement of the Gulf St Vincent prawn fishery. It seems that there are three points of conflict: the number of boats to go (although the legislation mentions six boats, there is a debate in the industry about the number of boats to go); how the boats will be selected (and I will come back to that later); and how the boats are to be paid for. Even with those three areas of conflict settled, there is then the question of the subsequent viability of the industry, whether it will improve, and whether those involved will be able to pay for it. Before we enter into serious debate on this Bill, I think that is the question that has to be answered. We must look at what will happen after the legislation is passed.

In his report Professor Copes is very positive about the six boats. In the text of the report he does waiver, but in the summary he says definitely that six boats must go. As I understand the situation, three boats are to go and they comprise the two Investigator Strait boats and one from the Gulf St Vincent. Also, two owners of boats in the Gulf St Vincent are considering their position, so possibly five boats could go without the need for any positive action on behalf of the Government. Of course, some people believe that the number should be 13, while we are told that some officers from the Fisheries Department have said that at least eight boats should go. The number of boats to go is really an arbitrary figure. In his summary Professor Copes says that six boats should go.

The Hon. P.B. Arnold interjecting:

Mr PETERSON: There is dispute as to the number of boats to go, ranging from 13 boats in the fishery, to 10 boats in the fishery, and it is alleged that officers from the Fisheries Department would like to see eight go. Curiously, with all this debate about how many boats should go, there is provision in the legislation for boats to be brought back in, so obviously the Minister is somewhat hopeful about the future of the fishery. That also raises another problem because, if boats are to be brought back in and if people have paid for them to go, will money be received for the incoming licences and how will it be assessed? What will happen to the money? Will it go to general revenue, or will it reimburse the people who paid to get the boats out in the first place? It is uncertain as to whether the industry will decline or improve in the future and only time will tell. Under this legislation, if it declines further, there is no provision for further reductions. The question is: if it does decline further, how will people fund the additional buy-out situation? There is a grey area surrounding the ability of the industry to cope financially. The number of vessels to go will always be a matter of opinion and debate. The number of six is perhaps open to debate and a little further discussion.

The next problem concerns the selection of the boats to go. Three methods were put forward by the Minister in his second reading explanation: first, FIFO (first in, first out); secondly, ballot; and, thirdly, LIFO (last in, first out). As to the first in, first out method, I think that the Minister discounted that in his second reading explanation. I cannot recall what Professor Copes said about that option, but I think the Minister said that it would cause too many difficulties for those left in the industry. As to the second option relating to the ballot, it is a very arbitrary method, in that a number comes out of the hat and that is it. It does not consider the position of the authority holder. The member for Elizabeth mentioned a figure of $500 000 for a licence, Professor Copes quoted $800 000 and I believe I have heard of instances where authorities have changed hands for over $900 000. It could be assumed that a fair proportion of that money would be in the form of an overdraft or loan. If a person has an overdraft of $900 000 for the licence, if he is paid out at $450 000, that would not cover the loan, so it is not very viable. If he has an overdraft of $500 000 or $600 000 and he receives $450 000 in his hand, how will he pay the rest when he has no licence and no work?

In relation to the ballot, I have a constituent who is a fifth generation fisherman and his family has probably fished cumulatively for 100 years in this State. He and two partners obtained a loan of about $400 000. If he was bought out for $450 000, that would be barely enough to cover his commitment of the loan and his personal commitments on his house and car. Therefore, after a lifetime of work and generations of his family fishing, he is left on the dole with no skills for any other employment. He is also out of pocket after working as a line fisherman and a net fisherman and saving his deposit on the boat.

A previous speaker referred to the rich fishermen, but all these fishermen are not rich. Let us not kid ourselves. Many people in the industry have money. There is no doubt about that, but there are also many who have worked their way up and, if we take away from Australians, including South Australians, the ability to make a quid and better themselves, we will knock this State in the head. Those are the two cases to which I wish to refer.

Regarding the principle of last in first out, my colleague referred to a letter, which I happen to have, dated 1970. At that time, with the entry of people into the Gulf St Vincent fishery, certain conditions were laid down and, looking back on them, we can see the mistakes that can be made. We have been talking about the future and how things may pick up and be better, but we must remember that at that time the Minister said:

> Having regard to the present buoyant situation in the king prawn fishery in South Australia and the high catches of prawn presently being made, it has been decided to admit a further limited number of vessels into the prawn fishery to fish this resource.

That was in 1970, before I was a member. To show how things have changed in respect of the fishery, paragraph (6) of that letter states:

> The possibility also exists that an annual catch quota may be placed on each vessel operating in the prawn fishery in the event of the total prawn catch falling and the fishery being over-exploited.

It is funny how policy changes. In 1970 there would have been a quota, yet today we are throwing boats out, because of the sum paid to go in, I suppose. The next paragraph of the letter states:

> In the event of the whole fishery being seriously over-exploited and the need to reduce the fishing units operating in the zones, then the policy which will be adopted will be that of last in first out.

Looking back, something seems to make a mockery of the whole thing. The final statement in the letter is as follows:

> No vessel now entering the prawn fishery will be permitted to use more than single rig gear, and the licence to trawl for prawns will not be transferable.

That shows how much times change. Perhaps, if the management of the fishery had been correct and we had stayed with that we might have got through. My third point which I made earlier, concerns how the boats are to be paid for. As has been put in this debate, it is or should have been an annual licence. Some people say, 'There should be no buy-out. Just resume the annual licence. Just thank them very much.' Copes refers to $800 000 or $900 000 for a licence, but that is an inflated figure. It is a lot of money. I just wonder whether the Minister does not regret that he has a resumption provision to bring back the licence. As has been said, some farmers have to walk off their farms with no compensation after a lifetime of work, which must all go down the drain.

There are some points about our procedure in this matter. A point has been made by Copes about payment by future rents, and the people left will have to pay the money required to buy out these boats. That constitutes a rent. An interesting aspect concerns the rents payable by fishermen in other South Australian prawn fisheries. As has been said, the principle is to share equally in the resource. I have been given figures, and Copes has some figures in the back of his report. I will not go into them because of the lack of time. However, in Spencer Gulf each vessel catches 70 per cent more than the average Gulf St Vincent vessel, and the average earnings are 80 per cent greater. On the West Coast,

which is an area that has newly been granted permit, I believe that things are going extremely well for the prawn fishermen. I have been told that over eight years the Spencer Gulf fleet could be increased from 39 to 70 boats and each of the 70 boats would have earnt the same as the average Gulf St Vincent boat.

While I do not think that we should drag the Spencer Gulf fishermen down, I believe that they could contribute if it is a resource. Although there is no biological proof that the prawns in the two gulfs come from the same source, who really knows? We may be protecting the same resource. If we could get contributions from the other gulf, that would make a difference on a debt of $4.321 million, and it would not be unreasonable to look at this aspect because, as I understand the legislation, the $450 000 is only a base level. Under the legislation, if there is a commitment of up top $600 000 or $700 000, that may be accepted as a buy-out figure. So, the $4.321 million is not an unreal figure.

If that figure were to be shared between the 10 boats in this gulf at $81 000 a year, and $15 000 were taken from each of the other 52 fishermen in the Spencer Gulf and West Coast fisheries, that would ease the commitment; otherwise I do not know how they will meet it.

The other point made by Copes about repayment is the possibility of a contribution from the Federal Government as part of a fisheries adjustment program, but I do not think that we have much hope of getting that. I do not know whether the Minister has done anything about that. It has been said here that the State Government should accept some of the blame, and I am not totally against that. Copes says that the State Government is responsible for the management of the resource, and it has always been a managed fishery, so the Government has had an input. If a contribution was to be made by the State Government, it would be a contribution to an ongoing resource, a so-called liquid goldmine, the preservation of which would be worth much to this State.

We have lost money on a three-day horse event, choral concerts, and a police tattoo. That money has gone, lost on one-off occasions on which there can be no long-term return, and I do not criticise the Government for that. However, if money could be spent in that way, surely it could be contributed to an ongoing resource from which the State would reap the ongoing benefit. Also, the State Government would get a little because, as my colleague mentioned, in 1986 the industry returned $1.338 million to the State Government by way of licence fees and charges. So, a little assistance over the years will not go astray in a debt of $4 million.

The real purpose of the legislation should be to lessen the strain on the economic resource, but I do not think that the Bill, in its present form, will do that unless we are assured that the people who are left in the industry are financially viable and can repay the loan. Otherwise, we will only emphasise the effort to exhume it.

There are some options, such as quotas. In this respect, the tuna industry has quotas, and the 1970 letter to which I have already referred stated that quotas might be applied. Another option is a roster for the fleet so that all the boats are not all out at the same time and so that their catch is limited. Another option concerns relocation to another fishery. For instance, there are three of four boats in the West Coast fishery. Certainly, they want to protect their resource, too. I can fully understand that they do not want anyone there, but let us look at the industry as a whole.

An honourable member interjecting:

Mr PETERSON: Well, that's it. I understand that the last survey showed a 30 per cent decline in the catch from this gulf, so we must do something. Before we make a decision in this House, I would ask the Minister to hold the legislation over until the next day of sitting, because the people in the fishery are having a financial assessment done by Peat Marwick, a recognised accounting firm, to assess their viability to pay. I ask the Minister to hold the legislation for just one sitting day so that we can look at those results and see if it is viable. If they can pay, great; if they cannot, all we will do is place this resource at more risk. A greater effort will have to be made to make that payment and, if we talk of $50 000 a year, as has been pointed out, one would have to earn $100 000 a year if one was taxed at a rate of 50 per cent. I ask the Minister to look at this aspect and not enact this legislation until we know whether the industry is viable. If the industry cannot pay, then we have to look at some other way of buying the boats out, otherwise, the effort will be accelerated to a stage where the industry will be killed forever.

The DEPUTY SPEAKER: Order! The honourable member's time has expired.

Mr BLACKER (Flinders): I did not originally intend to speak to this Bill, but a few comments have been made which I think require some response. I guess that the Minister, by his interjection a few moments ago, highlighted my concern in relation to a couple of comments that the member for Semaphore made regarding whether it is a realistic proposition that one should look at relocation of boats from the Gulf St Vincent area to the Spencer Gulf area. Naturally enough, I would vigorously oppose such a proposal, as does the Copes report.

The reason for saying that is that the Spencer Gulf fishermen have worked closely with the Fisheries Department, and a lot of the research work that has gone on in that area has been done through the closest cooperation that I know of within any industry. To that end, if the Spencer Gulf Prawn Fishermen's Association has established a secure, stable and viable industry, then it has been done with the cooperation of the Fisheries Department and the State Government. They deserve credit for it and do not deserve to have their industry overmined or overfished as a result of boats being transferred there from an unviable area, which could also make that new area unviable. From that point of view I wish to take up the defence of the Spencer Gulf and West Coast prawn fishing industries.

There are three suggested options as to how the boats should be removed from the area: first in, first out; last in, first out; or by the ballot system. Quite frankly, I would not envy the Government having to make a decision on that because it is a tough and courageous decision to make. I am not sure whether the Copes report actually recommended it because I think that took a softer approach in that, if the program failed to achieve the necessary results with a reduction of effort over a three-year period, one should then get heavy handed and take the boats out in that way. However, that is the way that the Government has put that proposition. I would be vigorously opposed to boats being relocated in the Spencer Gulf and far west fishery areas.

If funds from outside the immediate Gulf St Vincent area have to be found to relocate vessels, I think it is more appropriate that they come from the general taxpayer, as happens in a number of other schemes. I know that the Minister and the Government are trying to ensure that the whole industry is contained within the bounds of the Gulf St Vincent. If that can be proved to be a workable proposition, then by all means I would support it. To that end, I add my reservations.

I was intially concerned about some of the proposed amendments, because it seemed to be opening a door to the establishment of vessels in the Spencer Gulf area. My discussions with the shadow Minister indicate that that is definitely not the intention, and it would be vigorously opposed, if that were the case.

The Hon. M.K. MAYES (Minister of Agriculture): Anyone who suggests that I enjoyed putting this Bill before the Parliament has rocks in his head. I think the member for Alexandra inferred that I get some sense of enjoyment from undertaking this sort of legislation. I might say that I have inherited this problem, and I believe that I am probably taking one of the toughest and hardest decisions that has been taken in this Parliament. I believe that if I had looked at any other options I would be neglecting my responsibility with regard to the fishing resource in this State. I have pondered over this issue for the last year and a half and have explored every avenue in search of a solution in a most sensitive and humane fashion.

Unfortunately, because of the very nature of the political circumstances by which this industry operates, and by the nature of the industry itself, it is time for drastic decisions and drastic action. I know that this has involved distress for some individuals and, of course, the member for Alexandra has referred in particular to his constituents. I might add that this decision to consider not renewing the experimental 12 month licence was probably one of the hardest that I have ever had to take in my life. Certainly I reinforce what the member for Alexandra has said in relation to the cooperation of those fishermen and their assistance to the Fisheries Department, because they were very good fishermen in that fishery and cooperated at all times with the department in order to assist the industry. However, if one reflects on the history of that fishery (and the member for Alexandra did, although he did not present the whole picture) one sees that it is obvious that those fishermen should not have considered that they were there for ever and a day. Those licences were experimental licences, renewable annually and, with the current issues surrounding the fishery and the Copes report suggesting the amalgamation of the Investigator Strait fishery with the Gulf St Vincent fishery, they had to be considered as part of any program of management for a reduction of effort in the fishery.

I repeat that anyone who thinks that I have enjoyed this exercise is really way off beam. It is difficult and very stressful to have to look at removing people from an industry from which they have gained their livelihood, and in which they have made their efforts and placed their capital.

The Hon. Ted Chapman interjecting:

The Hon. M.K. MAYES: Of course they are families, and I certainly have not ignored that. If one looks at the history of this matter, one see that it has involved an amalgamation of errors, because no one can really totally accept the blame nor allocate the responsibility. The fishermen sought to have transferability of their licences and to have increased effort. Many of those fishermen who are now in the fishery sought to gain entry into the fishery by politically pressuring previous Ministers and the department. So, for them to say, or for members to suggest, that the Fisheries Department has been irresponsible in its management of the fishery, is erroneous and inaccurate. It is true to say that the fishermen in 1981-82 waged a campaign to introduce triple rigging, which has been referred to in the Copes report and on numerous other occasions.

The fishermen asked for that. The department went along with it on the basis of there being reduced effort and a managed fishery. That cooperation did not occur, but I do not want to reflect on why that did not occur or how it came about. But it is important to note—

The Hon. Ted Chapman: It did occur in the Strait, in cooperation.

The Hon. M.K. MAYES: Yes, I have already acknowledged that. The honourable member was not here, unfortunately. I acknowledged that they were first-class fishermen, who cooperated totally with the department, and I also indicated that it was one of the hardest decisions that I have made.

The Hon. P.B. Arnold interjecting:

The Hon. M.K. MAYES: That came about through fishermen requesting that effort. The request did not just fall out of the sky, with the Minister suddenly deciding to allow additional effort to be put in. Many fishermen now in the fishery actually asked for access to it. So, the decision was not as straightforward as the member for Chaffey would have us believe. As I have said, it is a complicated situation. The matter has now fallen on to the shoulders of the present Government, which must now resolve it. It may seem harsh medicine, but I repeat again that it was the fishermen who asked for an inquiry.

The Hon. Ted Chapman: Which fishermen?

The Hon. M.K. MAYES: The Gulf St Vincent fishermen asked for the inquiry. Also, the Fishermen's Association asked for the inquiry.

The Hon. P.B. Arnold interjecting:

The Hon. M.K. MAYES: I will not go into internal association matters.

The Hon. Ted Chapman interjecting:

The Hon. M.K. MAYES: The member for Alexandra might think it is a joke.

The Hon. Ted Chapman: It is. The Gulf St Vincent fishermen asked for it and the Investigator Strait fishermen have become the victims—they were first off the rank.

The ACTING SPEAKER: Order! The member for Alexandra will come to order. The Minister is attempting to reply to the various contributions to the debate.

The Hon. M.K. MAYES: I shall address myself to the sensible matters that were raised in debate. The issue, of course, as the member for Elizabeth has said, is that we have to look at the long-term viability of the fishery and the protection of the resource, for the sake of the community and those people who work for a living in the fishery. That is the thrust of the Bill. Members opposite might find it hard to digest, but they have played a part in our being faced with this situation. When in Government, members opposite made decisions which resulted in extra effort and increased demand on the resource in the fishery with which we are now dealing.

The Hon. P. B. Arnold: On whose recommendation?

The Hon. M.K. MAYES: No, political decisions were made. If the member for Chaffey wants to get into it, I can sling it back very hard and it will mark him out very clearly. Let me just put the issues.

Mr S.J. Baker interjecting:

The Hon. M.K. MAYES: The mouth from Mitcham now pipes up. Let me just put very clearly on the record what has occurred. A political decision was made by the Tonkin Government to increase effort in that fishery, and Dr Copes referred to that specifically as one of the hallmarks of bringing about the disaster that we now face. So, the member for Chaffey should not—

Mr Gunn interjecting:

The Hon. M.K. MAYES: The member for Eyre now comes into it. As I was saying, the member for Chaffey cannot come into the argument and expect to get out of it lightly. If he opens his mouth the facts can be tossed back

to hit him squarely behind the ears. I can warn the honourable member that if he comes into the debate on a political level he will lose it. All members of the Tonkin Government are vulnerable. They made a lousy decision which they are now forcing us to correct.

Members interjecting:

The ACTING SPEAKER: Order! The Minister is attempting to conclude the debate. Various further questions can be raised during Committee.

The Hon. Ted Chapman interjecting:

The Hon. M.K. MAYES: The member for Alexandra continues to interrupt, but the point is that it appears that the Opposition does not have the guts to make the hard decisions. They have left it to the Government to make this decision. They are running away from it. Without the passage of this Bill, the fishery will be left in a disastrous state. The only alternative course is for it to collapse. The intent of the Bill is to ensure the longevity of the resource for the benefit of the community in South Australia and those people who work in the fishery. Some interesting matters were raised by the Opposition in relation to the Bill. They did not take into account the recommendations of Dr Copes. I stress again that the fishermen called for the inquiry. The Gulf St Vincent fishermen asked for the inquiry, and they accepted the recommendations put forward.

Mr Gunn: They had it thrust on them.

The Hon. M.K. MAYES: The member for Eyre said that they had it thrust on them. The fishermen asked for the inquiry; they wanted it and since then Professor Copes, who is a world authority on fishery resources, has made these recommendations. Therefore, I believe as a responsible Government we are required to respond to the terms set down by Professor Copes, and that is what we are trying to do. If the Opposition had the nous to do it in 1981-82, it would have done exactly the same thing. However, it did not; instead, it backed away from it. The Opposition left it to this Government and is now trying to score political points from the sideline by not adopting what I believe is the most responsible approach to this Bill.

During the debate there were some unfortunate comments about the role of the department and the overall management of the fishery. I draw members' attention to Professor Copes' comment that South Australia has one of the best managed fisheries in the world. All fisheries—whether it be Spencer Gulf or the southern rock lobster—require a managed program with the cooperation of the fishermen. I stress that I believe the level of consultation with the fishermen was extended to the limit and we as a Government took every opportunity to consult with them. I think we indicated to the fishermen at every opportunity that we were prepared to hear their arguments.

We are faced with a bottom line situation. Reading Professor Copes' recommendations, I believe we are required to remove six vessels, leaving a fishing fleet of 10 vessels in this resource. I think it is important to note that, as an overall responsibility, when faced with this sort of report a Government must react to it quickly and urgently; and Professor Copes also comments about that. Professor Copes addresses the need for us to urgently redress the situation in which we have found ourselves with regard to the demand on the resource, and his report makes particular reference to the fact that we cannot let it linger on, because improving technology and increasing pressure on individual fishermen to increase their catch as a result of a drop in income levels means that they will go out and place more demand on the resource. As a result, we must deal with the matter urgently, and that is why the Government has pressed on with this measure as quickly as possible.

I will deal with some of the issues in relation to repayment in the Committee stage. However, it is important to note that some of our calculations on the current figures show that with a reduced fishing effort (which is part of the program as detailed in the Bill) there will be a reduced biological demand on the resource and increased economic benefit to those who remain in the fishery. Therefore, the remaining fishermen will gain economic viability and at the same time the resource will have a chance to recover and return to an optimum and efficient level of production.

Regarding the three fishermen leaving the fishery, that will involve a payment of about $22 000 per annum. That is not an overwhelming burden. The Copes report recommends that three other fishing licences should be withdrawn; that will incur a cost in excess of that $22 000 per annum. If we look at a figure which represents an equivalent repayment to that which is connected with the first three fishermen, the repayment would be around $44 000. However, if a sealed offer is made for reasons associated with the guidelines laid down in the Bill, the repayments may be higher. So I believe we are looking at a base figure of about $44 000. On our estimates, we believe that almost immediately there could be additional revenue of around $90 000, even with a reduced effort in the fishery.

We have looked at various recovery rates. We have looked at a three-year recovery rate with the fishery going back to 400 tonnes; and with a five-year recovery rate each fisherman will receive about $400 000 per annum at full and efficient production. I believe that the fishery will be able to withstand that pressure once it is fully recovered. So the repayment figure will commence at about $44 000 or $45 000 and it could be as high as $70 000. Compared with last year's average income of $170 000, fishermen will be receiving $400 000 per annum in three years (which is the best recovery) or in five years. Therefore, one can see that the repayments well and truly are matched by the recovery in the fishery that will allow increased income above $170 000. In fact, it is $230 000 as against a repayment of some $80 000.

One can see that the recovery of the fishery will assist in any repayment the remaining fishermen may be required to make. Our calculations are of that order, so that members will understand the position. I accept that it is an enormous sum to pay (certainly for a humble member of Parliament it would be impossible to meet that amount) but, if the fishery recovered in terms of its expectations and its full potential, we can see that it provides ample reimbursement to those fishermen to meet those repayments.

Mr Klunder: They will gain more on the swings than they will lose on the roundabouts.

The Hon. M.K. MAYES: Exactly: I thank the member for Todd for his support in making that comment. In relation to the comments of the member for Elizabeth regarding reduced effort, part of the program would involve reduced effort, which would be part of the management scheme by which the Fisheries Department will operate. If we look at the Copes report, I think some members have made rather liberal and, perhaps, misleading interpretations of its recommendations. We really believe that the bottom line of what Professor Copes is saying is that there must be only 10 vessels in the fishery, which means that six must be removed.

In terms of the Investigator Strait fishermen, I believe I have dealt with them on a fair and equitable basis, bearing in mind, as the member for Alexandra has said, that there were eight fishermen in that Commonwealth fishery, six of whom disappeared without so much as a 'thank you'. The remaining two are now being reimbursed the sum of $450 000

when they transferred from other fisheries into that fishery. That is a clear $450 000 tax free, and I believe that that is fair and equitable treatment for those people with regard to the commitment involved.

As the member for Semaphore said, there are other people walking away from businesses. There are steelworkers in Whyalla who got the DCM (don't come Monday) without so much as a handshake. In this case, the people concerned are being reimbursed, with what is to me a very large sum of money tax free, on the basis of their commitment to that fishery. I believe that has met the spirit of what Professor Copes intended, and I think it has met to the letter what was mentioned in the Copes report. So, I think we have provided very reasonable compensation for those people. Certainly, they are good fishermen who would like to stay in that fishery. Unfortunately, we cannot see that fishery surviving, and they would be suffering as a consequence if, in fact, they stayed there and if four more stayed with them, bringing the resource back to its 16. It cannot and will not survive at that level, nor will the fishermen. That is the dilemma we face.

The Hon. Ted Chapman: Rubbish!

The Hon. M.K. MAYES: The member for Alexandra is an expert, of course. He was part of the Government who brought the transferability as additional effort into this fishery. He bears a large degree of responsibility for the necessity for us today to be debating this Bill, yet he interjects that what I am saying is rubbish. I am afraid the biologists and the experts, whom he seems to want to disregard, do not know a thing, according to the member for Alexandra.

I will go along with the people who know: the biologists who know and live around the fishery, and the economists who know the environment in which they are working. If I want a tip on a good horse I know where to go. It will probably not be the biologists in the fishery but, as to sticking to information on the fishery, I will consult them, thank you. It is important to record that the Government's intention is, clearly, to ensure that we have a viable fishery and resource which is there for ever and a day for future generations to enjoy.

That is the bottom line. It is impossible for us to see it any other way. If this Bill collapses we will be faced with a situation where we will have to reduce the effort. In turn, this will place fishermen in an unbearable situation because they will be faced with a reducing income which will not improve; there will be no ability for them to meet their current debts, and the fishery itself will not regenerate in any way. If this Bill is defeated, and I hope it is not, we will see a continual stress on the resource and probably its collapse, including the collapse of many fishermen involved. That in itself is a sad message to consider if this Bill does not pass both Houses.

I will leave the other comments to the Committee stage, other than to say that I seek the support of all members of this House. I thank those members who have offered their support and I thank members for their comments on the operation of the Bill. It is an important measure, and it certainly establishes the long-term viability of the Gulf St Vincent fishery.

The Hon. Ted Chapman interjecting:

The CHAIRMAN: Order!

The Hon. M.K. MAYES: I move:

That the time for moving the adjournment of the House be extended beyond 5 p.m.

Motion carried.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—'Commencement.'

Mr PETERSON: During the second reading debate I asked the Minister whether he would consider the Peat Marwick report before enacting the Bill. I think that this is the appropriate clause to ask him that question again.

The Hon. M.K. MAYES: I have indicated to the fishermen's association that I would consider holding off recommending proclamation of the Bill until we had the Peat Marwick report. However, I stressed that there had to be a clear understanding that the information that the fishermen wished to put before me (and presumably before other members of Parliament) in relation to their financial situation should, first, deal directly with their trading account as fishermen: I do not want other incidentals and contingencies thrown in for good measure. I am in a situation where we have to meet requirements regarding compensation of the Investigator Strait fishermen, and there is an undertaking for that in about mid-March. Therefore, I asked the people concerned to send that information to me as soon as possible and informed them that I needed to have it within the first week of March in order to properly consider it.

The Bill itself—and I am referring not to the Bill generally but to a particular clause—allows me some flexibility, as the honourable member will appreciate, to consider the submissions that they will put to me. In relation to any information regarding the individual trading accounts of fishermen—and I am referring now to reimbursement—the opportunity was there to put the matter before Professor Copes, but nothing went before him. I know it was suggested to the fishermen's association by various sources that that information should be put before Professor Copes, and that was not done. That has left us, and perhaps Professor Copes, not knowing that side of the ledger. Certainly, we can make guesses (and some might be fairly accurate) about the structure of returns.

We know what the fishery returns and what is paid per kilo for prawns so we can make a rough estimate of an individual fisherman's financial position. We have done that and our figures indicate a capacity to pay. As I said in reply to the second reading debate, we see before long an ability, beyond immediate debt repayment, of an increased return to fishermen through effort reduction in the resource and through an increased return because of the reduced number of boats combined with biological and economic controls. We believe that it is quite comfortably accounted for and can be met from existing trading accounts. I have given an undertaking about a proclamation regarding Peat Marwick but have put a time scale on it, because I believe that the information should have been put before Professor Copes because that was what he was calling for. It is not my responsibility to take the onus for that; it should be on the fishermen. However, I have given that undertaking and I am told that they can meet that timetable. I have indicated that I am prepared to meet with the association to discuss that report.

The Hon. TED CHAPMAN: In answer to a question about the proposed proclamation dates in clause 2, the Minister canvassed in some detail the importance that he and his department place on recorded data such as catch rates and value for stock. Can the Minister say whether he bases his assumption that stocks have gone down on records with the department and, if so, is he assuming that all of the catch in Investigator Strait and in Gulf St Vincent is sold and that all sales are, in fact, recorded?

The Hon. M.K. MAYES: We cannot be absolutely sure that we know that all the catch is sold, but it is an offence under departmental regulations not to record it. To the best of our knowledge, our figures are close enough to the accurate catch record.

The Hon. TED CHAPMAN: Within the confines of that subject—

The CHAIRMAN: I caution the honourable member that we are dealing with clause 2. I do not want the debate to proceed too far from the parameters of clause 2.

The Hon. TED CHAPMAN: I respect that, but the matter that I raise is directly related to whether or not the Bill is proclaimed at the time indicated in it. Is the Minister or his Director aware of any evidence, whether followed up or not, of sales of prawns in South Australia other than those that the records reflect?

The Hon. M.K. MAYES: No, we do not have any evidence of that. If we had such evidence, we would have pursued it. For the sake of the record, I point out that there is a requirement for a record of the catch and effort of each fisherman.

The Hon. TED CHAPMAN: Is it fair to conclude from the Minister's remarks that there has been no evidence produced to the department that it has followed up in relation to the subject that I have raised and that, accordingly, no action has been taken?

The Hon. M.K. MAYES: I can advise the honourable member that there has been hearsay about the very topic that he raises, that is, the sale of the catch, but there has been no formal report, let us say, or complaint with regard to sales to the department that could be followed up in any meaningful way.

Clause passed.

Clause 3—'Interpretation.'

Mr M.J. EVANS: I wish to clarify that 'licence' means:

a fishery licence in respect of the Gulf St Vincent prawn fishery.

Does this definition imply that this legislation does not in any way relate to the two licences and the compensation for the two former licence holders in respect of the now expired licences in Investigator Strait? They are referred to in the preamble. I take it the remainder of the Bill does not relate to those and that the Government's decision to pay those operators compensation is not covered by this Bill, since the licence relates only to the Gulf St Vincent fishery. Is that correct?

The Hon. M.K. MAYES: I refer the honourable member to clause 3 (1) *(c)*:

(1) In this Act unless the contrary intention appears—
(c) a person who held a licence referred to in clause 2 of the preamble immediately before its expiry—

That refers to Investigator Strait. The preamble states:

2. A reduction of two vessels has been achieved by allowing both licences under the Scheme of Management (Investigator Strait Experimental Prawn Fishery) Regulations 1985, to expire, without extension or renewal, on 31 December 1986.

The licence refers to the Gulf St Vincent prawn fishery. The reference the honourable member makes to the licence refers to the Gulf St. Vincent licence.

Mr M.J. EVANS: I refer to the following definition:

'former licence' means—
(a) a person who surrendered a licence during the relevant period;

The relevant period extends until the number of licences is reduced to 10. I am not sure of the fairness of dealing with people under this legislation who are the recipients of a transferred licence after this Bill was introduced and who accepted the transfer of the licence in the full knowledge—

Mr Peterson interjecting:

Mr M.J. EVANS: The Bill or the report, as my colleague says. I understand that one licence was transferred after the report was made public—for substantial consideration—and other licences might well be transferred now after this Bill has been introduced into this House. In both cases—certainly in the former case after the report, and in any case which occurs now, after this Bill has been made public and tabled and debated in this House—it seems that there are equity considerations about whether that transfer should be included in the provisions of this Bill. What is the position if someone makes a business decision now to take on the transfer of a licence, knowing the situation? One licence was transferred after the report but before the Bill, knowing that there was going to be a reduction.

The Hon. M.K. MAYES: Perhaps I will give some background in order to answer the question for the honourable member. Transferability was revoked in August 1986. That licence was transferred in July 1986, but there was no report as such being adopted by the Government at that stage. It was just received and it was for debate within the community. Basically, we held discussions with fishermen as to their interpretation and reaction to the Copes report. Since then there has been no transferability. It is selfexplanatory in the clause:

3. (1) In this Act, unless the contrary intention appears—
'ballot' means a ballot conducted by the drawing of lots:
'former licensee' means—
(a) a person who surrendered a licence during the relevant period;
(b) a person who held a licence immediately before its cancellation under section 4;.

Mr PETERSON: We now have an untransferability clause which I understand is for a long term. There is now this untransferability and I think there is a hold on it for 10 years. In relation to the untransferability of a licence and a restriction to 10 years, what happens if an authority holder dies and there is no family? In that case, is that licence resumed by the department, is it bought back, or what will happen to it?

The Hon. M.K. MAYES: First, I have indicated that we will not consider the reintroduction of transferability until the loans are repaid, which is probably where the honourable member got the figure of 10 years. Secondly, in relation to the question of transferability within a family, if a fisherman dies and that places the family in some sort of jeopardy, I place a recommendation through Cabinet that that transfer be allowed, so we have allowed for the situation where there is some personal distress within a family. The licence can be retained and, in a sense, it is a limited transferability.

Mr PETERSON: What happens if a fisherman dies and he does not have a family, or the family may not want to take up that licence? Until now that licence has been an asset worth perhaps $750 000 and, if the authority holder dies, what is it worth?

The Hon. M.K. MAYES: That would depend on the executor of the will. It would go through the normal processes of an estate with regard to an asset.

Mr Peterson: It is not transferable.

The Hon. M.K. MAYES: The executor would have power to decide on the asset of that licence. Really, we are looking at a hypothetical situation, because two-thirds of licences are held in the name of companies. Really, in total, we are dealing with four people.

The Hon. P.B. ARNOLD: Surely the transferability should be maintained and any encumbrance (and I refer to the repayment that the Minister is placing on it over the next 10 years) on that licence would be accepted by the person purchasing that licence by way of transfer. The incoming person would accept the responsibility for the remainder of

the commitment on that licence. Surely, that would be logical and it would maintain the situation in the precise form that the Minister is attempting to introduce—not that I agree with what he has done.

The Hon. M.K. MAYES: I think that perhaps there is some misunderstanding on the part of some members. The transfer of licence is already covered under the Fisheries Act. I refer to section 38 which, in the case of a holder dying, provides:

> . . . the licence shall pass to and become vested in the personal representative of the deceased . . . as part of the estate of the deceased but shall not be transferred by him in the course of the administration of the estate except with the consent of the Director.

The Hon. P.B. ARNOLD: We are going beyond the point of administration of the estate. Once the executors of the estate decide what will happen to that asset, I suggest to the Minister that the licence can be sold or transferred and whatever encumbrances (and I refer to whatever this legislation places on that) there are would be taken up by the person purchasing that licence. That seems to be quite simple.

The Hon. M.K. MAYES: It is covered by the Act. I will restate what I believe the position to be: any encumbrance will be carried with the licence.

Mr GUNN: Let us get it clear. Is there going to be transferability available to those remaining 10 fishermen in the gulf after this Act becomes law? It is a simple question because, if people have a large financial commitment and want to sell that commitment to other than a member of their family, they cannot. I understand that the Minister has agreed to transferability within the family, but if a person wants to leave the industry with some dignity and go into some other enterprise will the Minister and the Government permit that person to transfer the licence? It is no different to somebody transferring a hotel, taxi or motor fuel distribution licence, in fact, any licence that this Parliament has deemed worth a lot of money.

The Hon. M.K. MAYES: The Bill is fairly straightforward in its presentation. Transferability is permitted within the family or, upon death, into the estate, and that is the only transferability we are proposing. A person would have to stay in there until the loans are repaid, and that is clear cut.

The Hon. P.B. ARNOLD: That is totally unreasonable in that there can be many reasons why a person has to leave the industry.

Members interjecting:

The CHAIRMAN: Order! I ask members of the Committee to come to order. We will conduct the Committee the way it should be conducted. There will be no chatter across the floor. The member for Chaffey has the call.

The Hon. P.B. ARNOLD: I believe the position the Minister has put down is totally unreasonable. The Minister needs to ensure that any encumbrance on the licence is picked up by the incoming person who purchases the licence and vessel. That should be the only real concern of the Government, that the boat and licence remains in the fishery and pays its fair share, along with every other vessel. There can be 100 reasons why a person has to withdraw from the industry. One could think of literally hundreds of reasons. Anything can happen to anyone at any time, and to say that for the next 10 years one is locked into this situation is absolutely absurd and it will not work.

I am talking about the practicalities of the situation. The Minister of the day will be confronted over the next 10 years with personal situations arising within the fishery of people who own the boats and licences requiring them to leave the industry during that 10-year period. So long as the person is leaving the industry, selling their licence and transferring it, and the incoming person picks up the encumbrance and continues to meet that licence's share of the commitment, I can see absolutely no problem. It is the only humane way of doing it.

The Hon. M.K. MAYES: Members ought to read the Copes report and the implications. One of the major problems of the fisheries in this State is overcapitalisation, the barrier to entry. The member for Chaffey is advocating a continuing and growing barrier to entry. If incomes increase, expectations and the licence price increases with it. We see a growth and recovery in the fishery, a growth in income and licence prices going up. We see the same problem we were faced with: overcapitalisation and over effort in the fishery. I refer to what Professor Copes explored in this regard. We do not have owner/operator situations here but have company situations where, as the member for Mitcham referred to, people can continue to operate the fishing licences. We draw a narrow bow when saying that they cannot continue.

I stress that one of the problems we face if we adopt the recommendation is a continuation of the disaster that we now face. What we will have is the cost of a licence going through the ceiling and people paying an arm and a leg for it. Members opposite will be the first in here to scream about what it costs to get into a fishery. What they are doing by writing in what they propose is guaranteeing an increase in capitalisation and overcapitalisation and, indeed, increasing the barrier to entry. This, we believe, is the only way around the problem. It is what Professor Copes clearly recommended, if the report is referred to as a solution to the way in which we see the problems being addressed at the moment with increased entry for the fishermen. It is not exclusive. It allows them to continue in their situations, whatever they might be.

Given our expectation on the income (and I know that I am wandering far and wide from clause 2 in this answer, but the questions have been a bit wider than clause 2), it allows the fishery to provide a more than handsome return to those fishermen and would allow them to meet all the encumbrances in most circumstances. We have allowed for the situation where they are faced with a death in the family or a loss through other means of their ability to work the fishery themselves. I warn honourable members that, if they embark on this economic argument that they are putting forward, they are embarking on a disaster because they are doing exactly what Professor Copes has warned us not to do.

The CHAIRMAN: I remind the Minister that we are actually dealing with clause 3. We have passed clause 2. Clause 3 refers to the surrender, withdrawal, etc., of licences. So, all of the questions that have been posed thus far are within the ambit of that clause.

Mr S.J. BAKER: Just to try the Minister with a bit of economic logic, under the Bill—

The Hon. M.K. Mayes interjecting:

Mr S.J. BAKER: The Minister might like to listen to the question. It relates to the fact that on the one hand he is saying that the licence or the operator has an encumbrance and, on the other hand, he is saying that the licence has no value when for some reason it should be transferred.

The Hon. M.K. Mayes interjecting:

Mr S.J. BAKER: That is exactly what the Minister is saying. I will move away from the company situation, as I understand that there are individual operators in the industry—for instance, partnerships. If the spouse of a person says, 'I cannot operate that. I do not know whether I can afford to pay additional wages for somebody else to operate that boat,' the Minister is saying that such a person has no

right to recover his asset value. There was another strange thing about the price of a licence. If somebody disappears from the industry, I would have thought that it would boost the price of licences in the industry, so I am not sure at all of the Minister's logic.

Mr GUNN: I am absolutely flabbergasted that the Minister would virtually stand up and tell this House that he has nationalised the existing operators. What the Minister has said is that people who are in the industry currently and are going to remain in it will get no opportunity to leave the industry if their commercial circumstances change. If he was to say that to the hotel industry and put in the same provision, the Labor Party would be pitched out of office, because every publican would be after him. However, since there are only 10 people involved in this industry, he decides to pick them off. Let me say to the Minister that if he wants a fight before this legislation goes through Parliament, he now has one. The Minister's arrogance has already seen one Bill tossed out of this House. Do not—

The Hon. M.K. Mayes interjecting:

Mr GUNN: You threatened the honourable member for Chaffey. You can hand it out, but you cannot take it. We will not stay in this Chamber and put up with your arrogance, because you will affect the livelihood and rights of people—

The Hon. M.K. Mayes interjecting:

Mr GUNN: I certainly am not. A bit of common sense needs to apply in this place. I intend to use all my influence to make sure that the Minister and his colleagues are put right to the cleaners in relation to this matter. It is absolutely outrageous to deny people their economic rights. The Minister is saying to those people who are left in the industry that in at least the next 10 years they have no right to commercially realise on the asset which many of them purchased or obtained knowing full well that they could transfer or sell it.

If the Minister thinks that Professor Copes is the be all and end all in relation to the problems faced by the fishing industry, heaven help this State and the fishermen. We know what he wrote years ago about the rock lobster industry and what kind of reception that got. It just about caused a riot in the industry. If that is the best the Minister can offer, heaven help us. We will fight this socialist philosophy that has been put forward to the nth degree. I am absolutely horrified that the Minister can tell us that, for 10 years, he will deny those 10 remaining fishermen the right to leave the industry and put their investment in some other form.

The Premier stands up in this place and tells us that we must encourage entrepreneurs to come to this State. If that is the best that the Minister can do, I am horrified. If it was the taxi industry or the hotel industry, the Minister would not be game to do it because there are too many of them. The same principle is involved. The gauntlet has been thrown down now and I sincerely hope that this measure gets the proper treatment when it goes upstairs. Any influence that I have in this matter will be applied.

The Hon. M.K. MAYES: I take on board the threats of the member for Eyre, and I suggest that he has a look at page 80 of the Copes report to try to enlighten himself on some basic economic theory.

Mr Gunn interjecting:

The Hon. M.K. MAYES: I can make a retort to any comment from the member for Eyre. Frankly, he must look at the economics of the situation. His vision has the focal length of about one centimetre when looking at the whole issue confronting the fishery. The honourable member shows a totally shortsighted attitude to its problems. He shows no understanding at all. I suggest that he looks very carefully at what Professor Copes has said. He does not promote any particular economic theory but considers the reality of what has happened and what will happen in that fishery. I have been threatened and abused by the member for Eyre, but the fishermen's association has agreed to this proposal because it sees the economic reality. The member for Eyre may not see it, but he has forgotten to ask the fishermen's association what it thinks. He has scored a few political points thinking that he has made a wonderful argument on economic rationality, but it was more an expression of Luddite-type thoughts on economic theory. I suggest that he talk to the fishermen. For the honourable member's benefit, I will read from page 80 what the Copes report says about this very issue. It is obvious that the honourable member has not taken the time or trouble to read it. The report states:

> The second regulatory change was to make vessel licences in the Gulf St Vincent prawn fishery transferable. This led to speculatively excessive licence values and a turnover of vessel ownership, through which many less experienced fishermen, burdened by heavy financial commitments, entered the fishery. The financial pressures on them to produce cash flow at a time of reduced availability of large and medium size prawns led them to target on small prawns also. The discipline to fish only the better size prawns, which had been strong among the original licence holders in the gulf, broke down completely.

I remind the honourable member to take a very close look at the implications of that passage.

The Hon. P.B. Arnold interjecting:

The Hon. M.K. MAYES: The member for Chaffey does not think that he can understand it. If he likes, I will explain to him what it means with regard to this particular fishery and this clause, because it is very important. The fishermen understand it. The honourable member ought to talk to them, because, in the long term, they will have to pay—no-one else—if the licences go to $2 million and they have to be transferred around. They are aware of the implications of it. I will leave my arguments there and stress to members that they look at that argument and not be sucked in by the emotional rantings of the member for Eyre.

Mr S.J. BAKER: I accept that Professor Copes did have some reservations about transferability, but can the Minister enlighten the House as to how the person who wants to leave the industry, whether it be because of death or incapacity, will get recompense or retain some of their asset value.

That is the simple question that everyone is asking here: how does a person get out with dignity, when in fact the asset value is completely cancelled by their taking themselves out of the industry, for whatever reason? There is a whole range of reasons why people may not be able to continue in the industry, some economic, some physical and some mental.

Mr Gregory interjecting:

The CHAIRMAN: Order! The member for Florey must not interject out of his place.

Mr S.J. BAKER: Can the Minister simply answer that question? I will not debate the issue of transferability. I simply ask the question: how does a person who must leave the industry for any reason get out with dignity, with some form of asset, given that there are circumstances where people have to leave the industry in which they are in?

The Hon. M.K. MAYES: The reason we face these capital costs and the reason we must force upon people the option of buying out their colleagues is related to this very aspect of transferability.

Mr S.J. Baker: Is there another way?

The Hon. M.K. MAYES: There are other ways, but we believe they are inferior to the whole structure of saving the fishery resource.

Mr S.J. Baker interjecting:

The Hon. M.K. MAYES: The member for Mitcham is not satisfied with one question but wants to ask two or three. The situation is that we are looking at a limited entry resource, a massive capital investment being required to gain entry to the resource, through the fact that there is transferability. If one considers the alternative to transferability and looks at non-transferability, then there would be a high income factor which, of course, would attract people and they could build in their own scheme of asset value by superannuation or other means. They are placing on this limited entry fishery an enormous pressure, because they place on it an asset value, and this theory of taking out some huge sum as a consequence of their effort, not only giving their income but also by building through limited entry a growth in the asset of the fishery forces pressure on any adjustments that we are forced to make in the management of the fishery. I am sure that the member for Mitcham appreciates that.

So, we are faced with having to guarantee the repayments of the loan; we are faced with having to ensure that those people who are removed from the fishery, by whatever means, whether they volunteer or by the ballot system as proposed, are reimbursed those sums. In order to do that, we must ensure that those people who carry that burden are there to carry it. They are not fixed. I think the honourable member has been caught by the emotional arguments of someone incapacitated and not able to continue. People are able to continue their fishing through agents or through other means. They are not limited in that way of earning an income or gaining a return on their investment. The situation is that we are trying to control a resource. We are endeavouring to manage a situation, and this is the only way in which we believe (and which Professor Copes has recommended) it can be dealt with.

Clause passed.

Clause 4—'Cancellation of licences.'

The Hon. P.B. ARNOLD: I move:

Page 2, line 21—After 'at' insert 'the third anniversary of'.

If amended, clause 4 (1) would read:

If at the third anniversary of the commencement of this Act there are more than 10 licences in force, the Minister may cancel sufficient licences to reduce the number of licences to that number.

This amendment is completely in keeping with the spirit of the Copes report. At page 120 Professor Copes states:

Essentially, I am proposing a trial and error process of finding the right fleet configuration in relation to optimum catch level.

I also refer to page 161 of the report, where Professor Copes states:

It seems unlikely to me that the Government will find grounds on which as many as six vessels should be compulsorily removed from the Gulf St Vincent and Investigator Strait. I assume, therefore, that there will be a need for a scheme of voluntary buy-back for up to six vessels.

The Minister has already indicated that by one means or another he has removed three vessels from the combined fishery. I believe that he is likely to receive one or two more offers. The amendment is certainly in keeping with the spirit of what Professor Copes has put forward. Since the Minister has placed great faith in the Copes report, will he seriously consider the amendment, because it is certainly in keeping with it?

The Hon. M.K. MAYES: I totally oppose the amendment. I think it would simply put off for another day the disaster facing the fishery. In fact, it would complicate and aggravate the disaster. The amendment shows that the Opposition lacks the guts to face up to this issue. The Opposition must confront the fact that it must be dealt with now; there is no point in putting it off. Again, I think the honourable member has misquoted and certainly misinterpreted what Professor Copes said. I draw the Committee's attention to page 113 of the report which emphasises Professor Copes' comments about any delay, as follows:

I would emphasise two reasons why it is very important to be thoroughgoing in the withdrawal of excess effort from the prawn fishery at this time. In the long run, with technological change, the fishing power of vessels is bound to increase further so that additional vessels will have to be withdrawn in the future to keep the industry operating efficiently. If surplus fishing capacity is not fully withdrawn in the present rationalisation exercise, the future problems of surplus capacity will be that much greater.

Another important consideration is the increasingly tough competition that may be expected, particularly from Third World countries, in the international prawn and shrimp market. With low labour costs, favourable climatic conditions and a great need to earn foreign currency, one may expect an increasing flow of product from these countries, originating both with expanded capture fisheries and now aquiculture operations.

I think it is very important to note that Professor Copes says that we should get on with it now—do not delay and do not wait. He sets a base line of 10 vessels for any scheme introduced to reduce the fishing effort. I have no qualms in totally opposing the amendment and indicating that I believe it would simply delay the inevitable. In fact, it would aggravate and complicate the situation and force us into more dramatic and drastic decisions further down the track.

The Hon. P.B. ARNOLD: What the Minister has said is absolute rubbish. Recommendation 9 on page 185 of the Copes report states:

Measures should be taken to remove six vessels from the Gulf St Vincent/Investigator Strait prawn fishery at the earliest opportunity, by a process of buy-back.

Professor Copes refers to voluntary buy-back.

The Hon. M.K. Mayes interjecting:

The Hon. P.B. ARNOLD: Just be quiet and listen for a moment. Yesterday the Minister made Mr Lewis available to the Opposition; he is an officer from the department and he explained the legislation. We listened to what he had to say and he was the first to acknowledge that the Bill would not reduce the effort on the resource. In fact, the total tonnage of prawns taken will remain virtually constant; that estimate is based on the facts that we put to him. Mr Lewis acknowledged that the remaining 10 boats operating in the fishery would have to dramatically increase their effort to meet repayments imposed on them. Six Opposition members attended the meeting with Mr Lewis and I think they would be quite happy to confirm the fact that the department believes that this measure will not reduce the effort tomorrow.

The Minister is saying that we have to reduce the effort tomorrow: the department is saying that this measure will have very little effect in reducing the effort tomorrow. That is why the amendment I am putting forward, which is completely in line with the Copes report, is fair and reasonable and not the bull in a china shop approach the Minister adopts on all occasions.

The Hon. M.K. MAYES: Mr Lewis is in Sydney, but I would be very interested to ask him what he actually said. The honourable member is very confused about this: it is very difficult for him to comprehend what is happening. We are dealing with two issues: the biological issue and the income viability issue. They have to be taken together, not individually or unilaterally. I am afraid the honourable member drifted off the point about the third anniversary into an issue of biology, mixed with the income viability aspect of the individual fishermen.

The fact is that we deal with resource days, and I am sure that Mr Lewis explained to members opposite what we are talking about in terms of reduced effort within the

overall fishery. That would involve a variation from 60 days to something like 90 days, which would still represent a reduced effort in the fishery.

Members interjecting:

The Hon. M.K. MAYES: There are some basic things members opposite have to understand. There will be 10 people in the fishery and the days would be reduced comparatively. If you take a total number of hours, the resource demand will be considerably less: that is the issue. Members opposite are confusing that with the income viability, which is dealt with elsewhere.

We are ensuring that those who remain in the fishery have the income and ability not only to meet repayments but to enjoy an increased return from their efforts in the fishery. Therefore, we are combining the two: reducing the effort in the resource and increasing the income and return to the fishermen.

The Hon. H. Allison interjecting:

The Hon. M.K. MAYES: You are welcome to have the mathematics of it.

The CHAIRMAN: Order! The honourable Minister will resume his seat. As I mentioned when this Committee started, we will conduct this Committee in an orderly way. Every member of the Committee is allowed to question the Minister three times, and I would appreciate it if the interjections ceased. If members want to exercise their right, they have the ability to do so. I would also ask the Minister not to interject when the questions are being posed. If we conduct this Committee in the way in which it should be conducted, we will get on much better. The honourable Minister.

The Hon. M.K. MAYES: Thank you, Mr Chairman. I think we have drifted off this point, but we are looking at the amendment which moves the inevitable day—more of a dramatic day, in my opinion—three years down the track. That does not go in time with what Professor Copes has said at all. For the member for Chaffey to suggest that is to totally misinterpret what Professor Copes said, namely, 'the withdrawal of excess effort from the prawn fishery at this time'. That is not three years away: it is now. If we run away from that, we are avoiding our responsibility.

The Hon. P.B. ARNOLD: What I am doing is acknowledging the Copes report, in that Professor Copes clearly recommended through his report that there be a voluntary buy-back scheme. What the Minister is doing is legislating for a compulsory, not voluntary, buy-back scheme. By one means or another, he has already got three out, and I understand that there are likely to be other offers in the next day or two. So, up to four or five are being eliminated out of the six. The spirit of the Copes report is one of a voluntary buy-back scheme.

Mr GUNN: During the briefing we received—which we appreciated—we tried to ascertain what would be the reduction in effort. We also find that the permitted days of operation in the gulf have increased from 63 to 90-odd days and, further, that it is estimated that the same quantity of fish will be caught per annum. Therefore, there will be no reduction in the stocks taken from the gulf. The amendment moved by the member for Chaffey, if adopted, will allow these people who wish to remain in the industry for a longer period to so arrange their affairs.

It appears that the Minister has contradicted himself. We came into this debate fully aware of what was going to take place in relation to effort in the industry. I find this whole situation quite amazing. Unfortunately, this debate has taken far longer than I anticipated, because we are not getting consistent answers. We are endeavouring to protect the existing rights of some of these people who have been involved in the industry. As the legislation currently stands, how does a person of 65 years of age leave the industry with some dignity? If these provisions were sought to be applied to the superannuation of the Directors-General of departments, heaven help us; they would certainly want to know the reason.

The Hon. M.K. MAYES: I will answer the relevant points raised by the member for Eyre in relation to the resource, and I will indicate some of the available figures, as I am sure members would want me to do. They can then calculate the reduced effort that is possible in relation to these proposals, and it certainly involves a drop in the number of days that the total resource will be exposed to fishing. Since 1983-84 we have reduced the effort from 13 500 to 6 000 trawling hours.

Two issues are involved: first, a reduction in the physical demand on the resource; and, secondly, ensuring an income growth for the fishermen to meet the repayments and to enjoy the fishery returning to its full capacity. It would seem to me that the Opposition does not have the courage to face up to the issue and wants to put off the inevitable, see the fishery come under further stress and a greater disaster take place. I am not sure of the reasoning of the Opposition. I could be cynical and suggest it, but I will not do so.

Mr S.J. BAKER: We have heard from the member for Chaffey that the briefing revealed that the tonnage that will be taken from Gulf St Vincent will be of the same order as it is today. Is that true or not? The Minister skirted around the question. Our mathematics suggests, in relation to the 10 boats that are left, that there will have to be so much increased effort to make up the repayments of the loan that it will in fact offset the gains that are made, because there are fewer people in the industry. Will the Minister clarify that matter?

The Hon. M.K. MAYES: I can try again to outline the proposals. Currently management schemes operate which have already reduced quite significantly the effort in the resource. There will be a control in terms of management of the fishery in relation to hours of effort. Therefore, there will be an opportunity for fishermen to enjoy, because of the reduced number of boats, an increased catch which we believe will not put additional effort or stress on the resource. There will not be an increase in the sense of overall fishing within the fishery. There will be a maintenance of the management program which we believe will allow the catch to recover, given the hours of fishing allowed, the management of the resource and the reduced number of boats in the fishery. That will lessen—as we are advised by our biologist and from what we are adopting from the Copes report—stress on the resource.

Mr S.J. BAKER: That was a very loose explanation to what I thought was a clear question. The simple fact is that fishermen will have to increase their incomes substantially to pay off the loans that they have to undertake. People were advised that they would have to take the same tonnage from the sea to do that. Somewhere something is wrong, because if we are to improve the resource there will have to be less fish taken from the sea. If people have an enormous loan hanging over their head they will have to increase their catch. We have not seen the mathematical formula by which the Minister has drawn his assumption that they will increase their incomes sufficiently to pay off their loans yet the increased catch will be less than that taken from the resource today. I am capable of getting a calculator to work out whether the formula stands up, but we do not have it, or the economic calculations that the Minister says he has been through. We have not had the calculations on how to

meet these two competing needs: one is increased effort on the part of the fishermen left in the industry and the other is the need to reduce the total effort so as to preserve the resource. If the Minister produced his figures to the Parliament I could sit down with a calculator and work out what he is saying, but we have not seen those figures.

The Hon. M.K. MAYES: There will be 10 boats under our proposal in the fishery which will be able to maintain their effort. They will be rigidly managed. There has been a massive reduction already in the stress on the fishery with the reduction from 13 500 hours to 6 000 hours. That will allow the fishery to recover. I hope that answers the question.

Mr S.J. Baker: No.

The Hon. M.K. MAYES: I give up. It means that the current effort, combined with the 10 boats under the proposal—

Mr S.J. Baker: But there is going to be an increased effort.

The Hon. M.K. MAYES: That is not so. The member did not attend the briefing on this matter, but we can arrange another one for him, if he wishes. We have reduced the effort and it will be rigidly managed. There will be 6 000 hours allowed for trawling and there will be 10 boats. There will therefore be reduced pressure because there will be six fewer boats. We believe that, under that regime, there will be a recovery. We propose that in three years, the best possible scenario, there will be a recovery from 260 tonnes now to about 400 tonnes, which is the optimum level of production from the fishery. In a medium term recovery, in five years we will see 400 tonnes of production and, in the worse scenario, a seven year recovery, we will see a 400 tonne return from the fishery. The honourable member may want a further briefing. Mr Lewis is not available because he is in Sydney at a conference on the tuna industry, however, when he returns I should be happy to arrange for a further briefing so that members get a better picture. I have gone as far as I can with my explanation and if I continue I will just be repeating myself.

The Hon. H. ALLISON: What we are looking for is some sort of formula from the Minister. If 16 boats fish for 60 days each that would be 960 days. If 10 boats fished for 90 days, an increase in effort of 50 per cent, that would be 900 days, a reduction of 60 days overall. A couple of minutes ago the Minister mentioned the figure of 6 000 trawling hours. Members on this side of the House would like to know whether that 6 000 trawling hours is the current effort by 16 boats and whether the 6 000 hours will become the quota for the 10 remaining boats, in which case each boat would have 600 hours during the entire prawning season. If the Minister could produce statistics like that, that is all that members on this side are looking for—some idea of how the fishery of today will compare with the fishery of tomorrow when 10 boats are out.

That will give an idea of the degree of control that the Minister will exercise. We are looking for some sort of mathematical formula which we could check against what the Minister claims to be the truth.

The Hon. M.K. MAYES: I thank the member for his question. It certainly conveys the point, and I think I have answered it, but I will try to answer it again. The position would be that we estimate, given those hours of trawling and the reduction in number of boats, that the biological recovery of the fishery will occur. We would maintain the 6 000 hours or less—

Mr S.J. Baker interjecting:

The Hon. M.K. MAYES: The member for Mitcham does not understand. We will maintain the 6 000 hours as the maximum effort. There are 10 boats and we believe that that will allow for the resource to recover in three years. They are the figures; that is the calculation. The member for Mount Gambier understands. There is a biological factor that will allow the fishery to recover, on the evidence that the biologists collect. We will see the best scenario in three years, with full recovery of the fishery to efficiency; in five years, the medium term; and the worst possible arrangement is seven years. The answer to the question is 'Yes, the 6 000 hours will be the total effort.' We will make assessments and there will be careful recording through the cooperation of the fishermen, which we anticipate we will have. There would be further reductions in those hours in order to manage the situation in a tighter way (that is, if one can get it much tighter), although we have a tight management situation.

I have explained that the two variables operate. We are looking at the current position. We have reduced the effort from 13 500 hours in 1983-84 to 6 000 hours and we propose that, given the 10 boats, it will allow the fishery to recover, in the best possible circumstances, to 400 tonnes in three years.

The Hon. H. ALLISON: I am not perfectly convinced because the Minister referred earlier to the fact that he expected the trawler fleets would be able to repay on his and his department's estimates up to $70 000 per annum. That indicates that the 10 remaining boats will have to have at least $70 000 additional effort each in order to repay the six boats that have been taken out. There is an assumption that if you reduce the effort from 16 to 10 and the 6 000 hours remains the same in theory the effort should remain the same because the Minister has taken out boats, but he still has the same number of fishing hours.

If the effort remains the same, reason is defied when the Minister says that biologically the prawns will have a chance to recover, unless the Minister is assuming that, six boats having been taken out, and with 10 remaining, those 10 will be unable to cover the same amount of sea bed to recover prawns. If that is the case, and the area that would normally be covered by 16 boats is diminished to an area coverable by only 10 boats in that time, automatically one has to assume that there will be a diminution in catch, because the 10 boats are not covering the same floor area; they are not covering the same area therefore to recover prawns, and one has to assume that the catch of those 10 boats will diminish.

The mathematics are such that the Minister's earlier statement of greatly increased income of $70 000 per boat has to be questioned. This is the point at which the Minister and the Opposition fall apart. We are not sure that the Minister's logic will give the prawn fishermen a sufficiently high return for the 10 remaining boats in the industry to repay those who are leaving.

If that happens and if there is any reason at all why two or three more prawn fishermen have trouble in meeting their bills, and look like going bankrupt, and as there is no transferability of licences, I suggest that the Minister has the potential for creating a great deal more trouble within the industry than he already has, particularly for individual fishermen. There are flaws in the argument that I believe should be examined closely before the Bill is passed. The Minister has been reassuring that he believes that he has gone through all the processes and that Ian Copes and his department can convince members on this side that the road he is travelling is the right one. The mathematics do not really stand up. Reassurances are not a substitute for concrete facts.

The Hon. M.K. MAYES: I appreciate the concern of the member for Mount Gambier. He asked a good question and it is a matter to which we have given attention for some time. We are looking at the biological controls having been instituted at this time. We are setting 6 000 hours as a trawling figure and we say that that can be adjusted but, if the hours were adjusted down, it would affect incomes of the fishermen. However, we say that, with that regime of hours fished and the 10 boats, we get the best of both worlds in the sense that we get the balance of effort on the resource and we get the return for the fishermen who are left in the fishery so that they may achieve an economic return and, accordingly, can meet the repayment requirements of taking out the six boats, whether it be a voluntary buy-back scheme or a compulsory one.

We say that the best possible scenario is that in three years there will be a full return to what we believe is full fishing production from that fishery, which would provide perhaps 400 tonnes of prawns. If we look at an average price of $10 per kilogram (and it has been higher, up to $15 per kilogram), we believe that in three years each individual fisherman would receive $400 000 as against $170 000 received last year. If we look at an arrangement whereby each fisherman has to pay $80 000 to buy out six colleagues, on that three year scenario there is an income surplus of $230 000, so they are $150 000 better off.

The biologists base that recovery on the reduction in the resource effort which has occurred in the past two years and they base it on the fact also that we have 10 boats able to fish in that period of 6 000 trawling hours, which would yield a higher return than the 262 tonnes for last year. Hopefully in three years and, if not, in five years, or at the worst in seven years, we would see 400 tonnes. With the biological management of that regime we would see a full return of 400 tonnes.

Given the price of $10 per kilogram, each individual fisherman would receive about $400 000. I believe that that is more than adequate compensation for them to be able to repay the loans that may have been taken out to buy out the other fishermen. I hope that I have explained to the member for Mount Gambier the basis for it. We have already adjusted the biological effort in the fishery. The biologists believe that we can now maintain that effort and see the fishery recover and, just as importantly, also see the fishermen's income recover so that not only are they able to repay the loan, but also they can enjoy the increased returns from the fishery.

The Committee divided on the amendment:

Ayes (15)—Messrs Allison, P.B. Arnold (teller), S.J. Baker, and Becker, Ms Cashmore, Messrs Chapman, Eastick, S.G. Evans, Goldsworthy, Gunn, Lewis, Meier, Olsen, Oswald, and Wotton.

Noes (21)—Mr Abbott, Mrs Appleby, Messrs. L.M.F. Arnold, Crafter, De Laine, Duigan, and M.J. Evans, Ms Gayler, Messrs Gregory, Groom, Hamilton, Hopgood, Keneally, and Klunder, Ms Lenehan, Messrs Mayes (teller), Rann, Robertson, Slater, Trainer, and Tyler.

Pairs—Ayes—Messrs D.S. Baker, Blacker and Ingerson. Noes—Messrs McRae, Peterson, and Plunkett.

Majority of 6 for the Noes.

Amendment thus negatived.

Mr M.J. EVANS: Will the Minister indicate why it is optional for him to reduce the number to 10, given the nature of the debate? I would have thought it was essential for it to be reduced to 10. Therefore, why does the clause provide that the Minister 'may' reduce the number to 10 when all the debate so far has been on the basis that the Minister 'shall' reduce it to 10.

The Hon. M.K. MAYES: I thank the honourable member for his astute remark. I will briefly explain. I have given that concession to the fishermen after discussions with the Gulf St Vincent Prawn Fishermens' Association. It is to allow me to look at what they might present to me with the Peat Marwick report which I presume they will also present to other members of Parliament so that we can make, if need be, some adjustment. It is to allow that flexibility.

I commit myself again to the House and to the fishermen in the community and say that I believe that the bottom line is 10 and that we must aim for that. It is certainly not intended to accommodate anything like the amendment moved by the member for Chaffey.

Clause passed.

Clause 5—'Compensation.'

The Hon. P.B. ARNOLD: I move:

Page 2, lines 41 and 42—Leave out paragraph *(b)* and insert new paragraph as follows:

(b) the amount the former licensee could, at the time of cancellation, expiry or surrender of the licence, have reasonably expected to obtain for transfer of the licence assuming that this Act had not been passed;

The purpose of this amendment is to truly reflect the real value of a vessel and licence at the time that it is acquired by the Minister in the event of a compulsory acquisition. I believe that the wording of the amendment will enable that to occur.

The Hon. M.K. MAYES (Minister of Agriculture): I move:

That the sittings of the House be extended beyond 6 p.m.

Motion carried.

The Hon. M.K. MAYES: I believe that this clause will place a far greater burden on the remaining fishermen than the proposal contained in the Bill. If I leave it at that, the member for Chaffey may wish to pursue it.

The Hon. P.B. ARNOLD: I believe that that could possibly be the end result. At the same time, we are still looking to see that those people who leave the industry, particularly those whom the Minister compulsorily removes, if it is by ballot, are fairly and equitably treated. This amendment will make sure that those persons who are being forced from the industry will be properly compensated for having been forced out of it.

The Hon. M.K. MAYES: It is important to note that those people, whether they volunteer or go through the ballot process, will receive what they have declared as part of compensation. I think that is a fair and reasonable assessment of their asset and certainly the liability placed upon the remaining fishermen. Let us also remember that if they have been there for any length of time—certainly two or three years or a few years beyond that—they have enjoyed the benefit of a very lucrative fishery. Their incomes have certainly reflected perhaps more than the figure that they would have seen perhaps five years ago on the value of the transferability of the licence. I think that we would be writing in a further burden on the existing fishermen which I am sure the association would not be terribly keen to see included in the Bill.

Amendment negatived.

The Hon. P.B. ARNOLD: My amendment to subclause (2) is consequential on the first amendment which I have lost, so I will not proceed with it.

Mr M.J. EVANS: As I said in my second reading contribution, I have some difficulty with this whole question of compensation. Unfortunately, the Minister has further added to my difficulties over this clause by explaining the way in which he expects the value of this fishery to grow for those who are left in it. The Minister has indicated that he expects that there will be a substantial surplus in addition

to the existing revenue after the remaining 10 have paid off their debts to the fund.

Of course, if that is correct (and we must assume that the Minister's advice and research is correct), one may reasonably expect the value of those licences to grow. The present value of licences is determined by future expectation of profit and by nothing else. If the current future expectations of profit are greater, the value of those licences is enhanced accordingly. It seems to me that, because what we are examining here is not voluntary surrender but surrender by ballot with compulsion, we should not discriminate between those who are left in and those whom we compulsorily remove. If we hand the 10 who remain a benefit in terms of net present value of future assets, surely by the Minister's own argument, a more generous compensation should be provided. It so happens that I personally have grave concerns about compensating people who hold annual licences which were designed in the first place to permit an easy cancellation in the event of overstocking in the fishery, as the Director of Fisheries said in 1970 when he set out the conditions of the first licences.

Setting that aside, and given that this aspect is supported by both sides of the House and therefore might reasonably be expected to get through, I find myself in some difficulty logically with the Minister's own proposition that we are generating additional profit and surplus for the remaining 10 which we are not reflecting in the balloted out compulsory compensation for those who remain. Perhaps the Minister could help me with that difficulty.

The Hon. M.K. MAYES: I join with the member for Elizabeth in having some difficulty about the question of transferability and the actual size of the amounts involved in transferability and the prohibition or barrier that that creates for people who wish to enter the fishery. I am endeavouring to address that problem, and I will continue to do so in discussions with the South Australian Fishing Industry Council. I have some personal difficulties in comprehending how we can resolve it, but I know that the problem must be addressed. It is something that I have inherited, and it is also inherited in the Bill because of the nature of the history of the industry.

It is a question of what one says is fair and equitable in regard to those people who are removed from the fishery. Again, it draws back. If people who entered at no cost were balloted out, they would receive an enormous benefit, which they would say represented their goodwill or the goodwill of the fishery in which they played a part. It is a difficult concept. It is difficult for members of Parliament to accept it where there is a limited entry fishery.

I point out that it is not an annual licence. This is a little confusing, but the licences are automatically renewable. It adds a finer qualification to the member's argument which, on balance, I accept has a great deal of merit. He must understand the reality of the situation: we must deal with compensation. Given the obvious discomfort that the fishermen's association has at the moment, what the honourable member proposes would create a great deal more discomfort. I must look at the balance of achieving a realistic resource and what is achievable in terms of the industry itself and the viability of those fishermen.

I am sure that the honourable member understands the dilemma with which I am faced and appreciates that I am trying to find the best possible path through that maze to find a solution to the problem, I do accept the honourable member's point. In relation to the figures that have been prepared by the Department of Fisheries for the best possible alternative—our scheme of three years, five years or seven years—there would be a greater income to the fishermen.

The figures are dependent on two factors. One is the price per kilogram of prawns. Currently it is low, but it might increase—we do not know. Professor Copes referred to increased effort in South-East Asia and Third World countries, in connection with entering what is a very lucrative market. But I accept the point, philosophically, that the member makes. The reality is that we have to look at a scheme like this in order to achieve a solution to the problem.

Mr M.J. EVANS: My second question relates to clause 5 (1) *(b)*, and that is, that the compensation is the greater of either $450 000 or 'the amount or value of the consideration paid or given by the licensee for the transfer of the licence'. Of course, that can lead us to the situation of questioning just what was the value of the transfer in all cases that might be applicable, given that a ballot will take place and that we do not know who will end up being selected. Is the Minister confident that the transfer values that were paid in each case are fair and equitable valuations of the licences at the time of transferral? Is he certain that there were no examples of inflated values being paid for other ulterior purposes, which were perfectly legal at the time but which did not take into account the use to which the licence fee might be put in this Bill. For example, it would be quite reasonable within a family or a family company—and he mentioned that 75 per cent of the licences were held by companies—for an artificially high transfer value to have been placed on the licence in order to secure some income tax benefit, for example, under arrangements of which we are not aware and which were no doubt, while perhaps questionable, not uncommon in the commercial world. So, I am a little concerned about the fact that the person gets the greater of those two figures, because I am not sure how each of the licence transfer figures was calculated and whether each of those figures was a fair and equitable value for just the licence at that time, and that no-one took advantage of any lease premiums and inflated figures for the purposes of other taxation schemes within their companies at the time.

The Hon. M.K. MAYES: It is a very difficult question to answer by way of a simple statement. The honourable member mentioned himself the impact of the expectations of income affecting the value of the licence. He also raised the aspect of people, for reasons known only to them or their company, arriving at a certain value to suit their taxation purposes. We have statutory declarations that have been made and placed with the department on the value of the transfer of the licence. So we have the best we can get—a legal document supporting the statement from the various fishermen as to the value of the licence at transfer. We can also assess: we did that in relation to the $450 000 amount. The licence was transferred in August 1986, and the amount probably shows the depressed nature of the fishery and probably sets what one could say is the base level of transfer fees.

I accept what the honourable member says. We will have to go by what we believe is a fair and reasonable assessment, based on statements that are made. For example, some fishermen did not declare a transfer fee and, as a consequence, if ballotted they would receive the compensation of $450 000. Others have set out transfer licence figures that are higher than that—and one is much lower than that. So, it is an attempt to get a fair and reasonable assessment of the value of the licence, based on what we have taken as the last transfer fee, and making an assessment on that basis. But we have no way of assessing very high figures, to ascertain whether or not they were a reflection at the time of expectation of income on the licence fee or whether

an accounting adjustment is being made in order to reap some other benefit to the owner concerned.

Mr M.J. EVANS: I thank the Minister for his very complete explanation. I do not wish to imply that I am aware of any transaction that is in any way less than above board. I raise the question because it occurs to me that a problem could arise. I am not making an allegation about any individual; I raise the matter as a general concern. It seems to me that to some extent there is a conflict between clause 5 (1) and clause 5 (3). Clause 5 (1) implies that a former licensee is entitled to whichever is the greater of $450 000 or the amount paid by the licensee, whereas subclause (3) provides that the amount of compensation under subclause (1) will be determined by agreement between the Minister and the former licensee.

The Minister has implied that he may downgrade the amount if he feels that it is artificially high. If that is the case, I will be greatly reassured. It seemed to me that clause 5 (1) provided a right to compensation equal to the greater of $450 000 or the amount paid, whereas subclause (3) seems to imply that the Minister has an option to downgrade that amount. I can accept the arrangement if the Minister can clarify the conflict and assure me that he will have the authority to downgrade the amount where it is artificially high, with the right of appeal in court, of course, as contained in the Bill.

Clause passed.

Clause 6 passed.

Clause 7—'Money expended for the purposes of this Act to be recouped from remaining licensees.'

The Hon. P.B. ARNOLD: I move:

Page 3, after line 27—Insert new subclause as follows:

(3a) A licensee may apply to the Land and Valuation Court for a review of the amount of the surcharge imposed under subsection (1) or of a direction under subsection (3), and the court may vary the amount of the surcharge or vary the direction.

The amendment is in line with what is already contained in clause 5 (3), as follows:

The amount of compensation to which a former licensee is entitled under subsection (1) will be determined by agreement between the Minister and the former licensee and, in default of agreement, either the Minister or the former licensee may apply to have the amount determined by the Land and Valuation Court.

I believe that a licensee should be able to appeal to an independent authority against the Minister's decision.

The Hon. M.K. MAYES: I am not quite clear about the thrust of the amendment. It appears that the honourable member is endeavouring to write into the valuation process an appeal mechanism.

The Hon. P.B. ARNOLD: That is all it is. Clause 7 (3) provides:

The Minister may, by written notice to a licensee, give directions as to the payment of the surcharge, or any instalment of the surcharge.

If a licensee believes that the Minister's requirement is exorbitant, there is a right of appeal to the Land and Valuation Court for a variation of the determination.

The Hon. M.K. MAYES: I am not sure whether the amendment is directed at the licensee. I am a little concerned about the implication for the licensee in relation to the repayment of the loan. It seems to me that the burden would fall on the licensee to meet the repayment requirement.

The Hon. P.B. ARNOLD: I thought that the provision was quite simple, because it relates to subclause (3) of clause 7, which states that the Minister may by written notice to the licensee give directions as to the payment of the surcharge or any instalment thereof. If the licensee believes that the directions are unreasonable and that he cannot meet those directions, he has no-one to appeal to other than the Minister. This would enable him to appeal to an independent authority to seek a variation of that direction.

The Hon. M.K. MAYES: We may need some time to look at this. Does the honourable member accept that the loan has to be repaid in full? Can he answer that in relation to his amendment? We feel that that affects the scheme of repayment.

The Hon. P.B. ARNOLD: If it means the impost that the Minister is applying to that licensee at that time because of his commitments, I can say only that the financial status of each licensee will vary. Some boat operators in the fishery will be clear of debt, and others might have a $500 000 debt. The ability of that person to comply with the letter of the law as to the Minister's direction might be totally beyond his capacity. This would enable the licensee to apply to the Land and Valuation Court for a variation of the requirement. It does not relieve that licensee of his share of the financial burden that will be placed on the 10 remaining licensees. It merely provides for a variation by which he may meet that payment so that he can still survive.

The Hon. M.K. MAYES: I think we will have a problem with this in regard to the scheme of repayment, the equity of repayment and the asset insurance that repayment would require. When this Bill goes to another place, I will be happy to look at it. However, I think we have a major difficulty in accepting this type of proposal. In terms of the licensee, there is a provision whereby, if the circumstances of a licensee are such that he is unable to meet the requirement of the surcharge or the instalments thereof, there may be some deferment.

However, if we write this in it will undermine the financial structure of loans through the authority. At this time I would be reluctant to accept it, although I am happy to have a look at it to see the full implications that it has on the application of the Bill. I will also check with the Treasury officers to ascertain their assessment of it at this time.

The Hon. P.B. ARNOLD: The intent of the amendment is not to release the licensee from the responsibility under this legislation. A licensee may, because of his borrowings, find it totally beyond his capacity to meet that. If he was to try to comply with the Minister's requirement, it would financially destroy him altogether and aggravate the situation. The court could make a variation to the Minister's direction, not relieving that licensee of the end commitment but making arrangements (as does any court when one appears before it, if it involves a financial commitment) to arrive at a payment which would enable that person to survive.

The Hon. M.K. MAYES: I reiterate that I am happy to look at the implications of that in relation to the overall scheme of repayment, and I would certainly want Treasury advice on it. I stressed, when I talked about the Peat Marwick report, that what we are saying, in effect, is that we want individuals to look at their trading accounts. They would have to look at that in view of their investments and they would have to look at their personal investments in relation to this particular scheme of arrangement in the fishery. I might be being a little harsh but my initial assessment was that if we adopted this proposal we would be endorsing individuals making lousy investment decisions which may be outside of their trading account but inside their total financial structure.

For example, if they bought a block of flats and felt emotionally tied to that investment, and their trading position was such that that took a great deal of their cash flow, they would come along and argue that they were in a non-viable situation. To us, that is not acceptable because we have to look at the trading account of the fishery. The

situation we believe is, given existing circumstances of the financial commitments of fishermen in that fishery and the potential return and increase in income that will occur because of the regeneration of the fishery, that they should be quite viable and able to meet those payments. I will oppose the amendment, but will look at it with officers from the department and officers from Treasury.

The Hon. P.B. ARNOLD: There is no way that the court would uphold the licensee's application if he had a commitment of $500 000 on a block of flats. The court, in that case, would certainly uphold the Minister's position. I am referring to a licensee with a $500 000 commitment on his vessel and equipment and no other commitment whatsoever. We will certainly be putting forward an amendment in another place.

The Hon. M.K. MAYES: If that is the honourable member's intention that should be spelt out because the amendment does not spell it out, and I would question his assessment of what the court might judge in that circumstance. If that is his intention, I would be happy to look at it in a more specific form.

Amendment negatived.

The Hon. P.B. ARNOLD: I move:

Page 3, after line 43—After '*(a)*' insert '50 per cent of'.

This amendment will require the Government to contribute to the compensation of those people leaving the industry. Page 161 of the Copes report, where Professor Copes discusses buy-back, indicates quite clearly that he realises that the remaining 10 operators will not have the capacity to finance buying out the six other vessels. Page 161 states:

> I suggest that a Buy-Back Fund (BBF) be established, administered by the Fisheries Rationalisation Authority (FRA), that will draw on three sources of financing: (1) future rents to be earned in the GSV/IS prawn fishery, (2) rents earned in other South Australian prawn fisheries, and (3) any contributions that may be obtained from Federal authorities under their 'Fisheries Adjustment Programs'. In terms of its priorities, the South Australian Government would seem well advised to draw as much as possible on Federal funds to make up the remainder of the necessary funding for buy-back from local prawn fishery sources.

Professor Copes clearly spells out that he does not believe that the 10 remaining licensees in the resource will have the financial capacity by themselves. He suggested three other areas where additional funding assistance can come from.

In other areas, such as vine and tree pull schemes, the Federal and State Governments provided the total funds yet here, because of problems that have developed, the fishermen are being required to pay the total compensation for problems that they did not create. Professor Copes says in his report that he does not believe that the remaining 10 fishermen have the capacity to pay. If the Minister could get 50 per cent of the money required from the Commonwealth Fisheries Adjustment program, well and good, but he has made no suggestion that he will try to do that. Therefore, I believe that 50 per cent of the compensation should be paid by the State and 50 per cent by the 10 licensees staying in the industry.

The Hon. M.K. MAYES: I totally reject the argument. To suggest that taxpayers should pay 50 per cent of the cost of removing fishermen from a limited entry fishery where they have exclusive rights and have enjoyed very large incomes for a long time (and will continue to do so if our scheme is entertained) is to suggest that the taxpayers will fall sucker to a subtle scheme that they are not aware of. Other fishermen in this State reject that sort of proposal—there is no question about that. They do not accept what the honourable member is putting. They believe that a scheme of arrangement for purchase should come from those remaining in the fishery. The figures I have given, whether at best or worst, suggest that they are capable of repaying. Why should the taxpayers bear that burden?

The honourable member is suggesting that the fishermen are not to blame for any of this problem. They are part and parcel of the fishery and have been part and parcel of the exploitation of that resource: that is why we are here today arguing this Bill. They should bear this responsibility. The Government will lend funds at reduced interest charges to source and support the repurchase or buy-out of these boats. We think that that is a fair burden for the taxpayer to bear, but that responsibility for the buy-back should rest totally with the fishermen remaining in the fishery. To reinforce my comments, I refer to page 161 of Professor Copes' report where he states that if the cost of a buy-back scheme becomes to a significant extent the responsibility of licence holders remaining in the Gulf St Vincent or the Investigator Strait prawn fishery, this will increase their willingness to consider being bought out and keep down the price that will have to be offered to vessel owners to sell.

It is important that this be seen not only as an economic measure but also one that will offer a total package that the community will support. If the honourable member said to members of the community that as taxpayers they will be up for 50 per cent of the cost to allow these people to continue in a limited entry fishery with an enormous potential growth in income with the 10 boats in it I think that he would find an instant revolt from those taxpayers. I totally reject the 50 per cent proposal.

The Hon. P.B. ARNOLD: The Minister is very keen to quote from the Copes report saying that everything Professor Copes says is the ultimate. However, when it comes to something that he holds a different view on then suddenly Professor Copes' views do not count. He clearly states that the Minister should have gone to the Federal fisheries adjustment program, and sought funds. Obviously he has not. He is quite happy to put the total onus back on the fishermen remaining in the industry. Professor Copes says in his report that he does not believe that the remaining 10 fishermen have the financial capacity to meet this cost. That is what we are on about, the reality of the situation, and that is what we spent so much time on a little while ago. The Minister could not show that there would not be a massive increase in effort, or that the effort will not be reduced because of the burden placed on the fishermen.

So, either Professor Copes knows what he is talking about or he does not, and he indicates clearly in the report that the fishermen will not have that capacity and that the Minister should have gone to the fisheries adjustment program. If the Minister is not prepared to do that, the Government should acknowledge its responsibilities and meet half of the compensation.

The Hon. M.K. MAYES: We did. The scheme is not yet established. This proposal offers the same benefits and probably better than what is proposed by the Federal Minister. Therefore, we see this as the way to go.

The Committee divided on the amendment:

Ayes (14)—Messrs Allison, P.B. Arnold (teller), S.J. Baker, and Becker, Ms Cashmore, Messrs Chapman, Eastick, Goldsworthy, Gunn, Lewis, Meier, Olsen, Oswald, and Wotton.

Noes (19)—Mr Abbott, Mrs Appleby, Messrs L.M.F. Arnold, Crafter, De Laine, and Duigan, Ms Gayler, Messrs Gregory, Groom, Hamilton, Hopgood, and Klunder, Ms Lenehan, Messrs Mayes (teller), Rann, Robertson, Slater, Trainer, and Tyler.

Pairs—(Ayes)—Messrs D.S. Baker, Blacker, S.J. Evans, and Ingerson. (Noes)—Messrs Hemmings, McRae, Peterson, and Plunkett.

Majority of 5 for the Noes.

Amendment thus negatived; clause passed.

Remaining clauses (8 and 9) and schedule passed.

The Hon. P.B. ARNOLD: Really, the amendments that I have on file in relation to the preamble are consequential on my amendments to clauses 4 and 7. A division was called for on those clauses; therefore there is no point in proceeding with them.

Preamble and title passed.

Bill read a third time and passed.

FAIR TRADING BILL

Second reading.

The Hon. G.J. CRAFTER (Minister of Education): I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

South Australia is regarded as a world leader in consumer legislation. During the 1970s South Australia enacted many consumer protection laws which were world firsts. Much of this legislation was, a matter of *ad hoc* responses to particular situations, for example the Mock Auctions Act, the Pyramid Sales Act and the Unordered Goods and Services Act. Separate legislation was usually enacted for each business practice sought to be controlled and therefore there was no cohesive body of law dealing with trading practices generally.

The first Commissioner for Consumer Affairs and his successor have suggested an approach under which legislation that applies to business practices generally (as opposed to the regulation of a specific area of business, such as credit or the sale of second-hand cars) would be contained in a single Act. This would involve rationalisation and consolidation of many of the general laws dealing with consumer protection and fair trading and would provide an appropriate framework into which any future legislation of this kind could be integrated. This Bill and its companions, the Trade Practices (State Provisions) and Statutes Amendment (Trade Practices and Fair Trading) Bills seek to bring about that rationalisation and consolidation.

The Office of Commissioner for Consumer Affairs was created in 1970 by amendments to the Prices Act 1948. That Act confers on the Commissioner general powers to investigate complaints and generally act on behalf of consumers. It also provides for the appointment of authorised officers to investigate and conciliate on consumer complaints and enforce the provisions of other consumer protection legislation. By Part II of this Bill, and the amendments to the Prices Act effected by the Statutes Amendment Bill, the Commissioner's functions and the powers of authorised officers' have been cut adrift of the Prices Act and now stand alone being slightly recast in the process: so that, for example, the Commissioner is now empowered to encourage trade, industry and professional associations to develop and enforce codes of practice. A new function also calls on the Commissioner to prepare and disseminate guidelines to traders in relation to their obligations under the laws administered by the Commissioner. The following parts of the Bill deal separately with business practices which need to be specified and controlled in more detail.

Part III deals with door to door trading practices and mirrors legislation developed for all States by Tasmania and South Australia as a result of the decision of the Standing Committee of Consumer Affairs Ministers to pursue uniform legislation throughout Australia in relation to these practices. These provisions are substantially the same as the present Door to Door Sales Act which will be repealed on the commencement of the Fair Trading Act.

Part IV deals with mock auctions and preserves the current prohibition on these entertainments effected by the Mock Auctions Act. That Act also will be repealed.

Part V deals with reports which were previously the subject of regulation by the Fair Credit Reports Act. That regulation has been widened to ensure that people who are denied benefits may demand from the person denying the benefit all the sources of information underlying the denial and not just those sources that we call reporting agencies. As demanded by the Fair Credit Reports Act, this Part also seeks to ensure that those reports will be fair and accurate and based on the best available evidence. The Fair Credit Reports Act will be repealed with the commencement of these provisions.

Part VI resites and reworks some provisions dealing with the limited offer of goods, conditional sales and price tickets contained in the Prices Act. They have been updated to reflect contemporary consumer expectations.

Part VII deals with advertisements using the Commissioner's name in vain and enacts a new procedure designed to ensure that businesses do not make claims in advertisements unless they are in a position to substantiate those claims.

Part VIII collects together provisions previously before the Council as clause 38 of the Commercial and Private Agents Bill and clause 2 of the Summary Offences Act Amendment Bill (No. 4.). Unfair practices in relation to the collection of trading debts should be dealt with in a Fair Trading Act.

Part IX re-enacts the current provisions of the Trading Stamp Act and that Act is repealed.

Part X re-enacts the enforcement powers of the Commissioner previously contained in the Prices Act. Those powers have been added to by the adoption of provisions similar to (but narrower than) those given to the Victorian Director of Consumer Affairs in relation to deeds of assurance. It is proposed that the Commissioner be able to negotiate with recalcitrant traders and obtain enforceable assurances that they comply with their legal obligations. Power will also be given to the Commercial Tribunal, similar to the power vested in Victoria's Market Court, to issue injunctions prohibiting unlawful conduct—as a back-up to the Commissioner's efforts to encourage fair trading.

Part I, comprising clauses 1 to 4, contains preliminary provisions.

Clause 1 is formal.

Clause 2 provides for commencement.

Clause 3 defines words and expressions used in the Bill. In particular:

'business' is defined to include a trade or profession;

'consumer' means a person who acquires, or proposes to acquire, goods or services or purchases or leases, or proposes to purchase or lease, premises, but does not include a person acting in relation to a business;

'goods' includes things growing on, or attached to, land that are severable from the land;

'premises' includes land;
'related Act' means an Act or provision of an Act that the Commissioner for Consumer Affairs will administer or that is prescribed to be a related Act;
'services' does not include benefits in respect of the supply of goods or interests in land;
'supply' includes conferring a right to goods, or a right to possess or use goods, or conferring a right to services;
'trader' means a person who in the course of business supplies, or offers to supply, goods or services or sells or lets, or offers to sell or let, premises.

Clause 4 provides that the Crown will be bound by the proposed Act.

Part II, comprising clauses 5 to 12, contains administrative provisions.

Clause 5 provides for the appointment of the Commissioner for Consumer Affairs who will be a public servant.

Clause 6 provides that the Commissioner will have the administration of the proposed Act.

Clause 7 provides for the appointment of authorised officers who will have certain functions under the proposed Act and the related Acts (see Division 1 of Part X in particular for functions of authorised officers). Authorised officers will be public servants.

Clause 8 sets out the Commissioner's functions. The Commissioner will have educational, advisory, research and reporting functions as well as the function of attempting to resolve disputes between consumers and traders by conciliation.

Clause 9 provides that the Commissioner may co-operate with private or public persons or bodies within or outside South Australia.

Clause 10 provides for the Commissioner or the Minister to delegate powers under the proposed Act or the related Acts.

Clause 11 is a secrecy provision and prohibits a person from divulging information acquired under the proposed Act or a related Act except with the consent of the person to whom the information relates, for the administration of the proposed Act or a related Act, to a police officer, to certain interstate authorities or in legal proceedings.

Clause 12 requires the Commissioner to make an annual report on the administration of the proposed Act. The report must be tabled in the Parliament.

Part III, comprising clauses 13 to 27, deals with door to door trading. The purpose of this Part is to regulate sales that take place at a consumer's home or place of employment when the initial approach was not made by the consumer. This Part is divided into four divisions dealing with preliminary matters, formation of contracts, trading practices and rescission of contracts, respectively.

Clause 13 defines words and expressions used in this Part of the Bill. In particular:

'dealer' is defined so as to include all classes of persons who may be involved in negotiations for selling goods or services on a door to door basis;
'door to door trading' includes trading by telephone and personal visits made before negotiations for entering into a contract actually commence.

Subclauses (2) and (3) make further provision in relation to contracts and negotiations.

Clause 14 is an application provision relating to contracts. Contracts will be covered by this Part if negotiations leading to the formation of the contract occurred in South Australia at a place other than the trade premises of the supplier under the contract and if the dealer was engaged in door to door trading and was not invited by the consumer to attend at that place. Subclause (2) relates to invitations from consumers and provides that an invitation arising from a communication made by or on behalf of a supplier or dealer will be regarded as solicited except if the communication was not made to the consumer personally. Subclause (4) provides for the regulations to exclude contracts from the application of this Part. Subclause (5) preserves the operation of section 552 of the Companies (South Australia) Code which relates to share hawking.

Clause 15 prohibits the inclusion in contracts of terms intended to exclude the operation of this Part. Such provisions will be void and the supplier and dealer will each be guilty of an offence. This clause extends to related contracts or instruments such as guarantees (see the definition in clause 13).

Clause 16 states that a contract to which this Part will apply by virtue of clause 14 is a prescribed contract if its value exceeds the prescribed amount. A contract is also a prescribed contract if a value is not stipulated, and two contracts relating to the same transaction will each be a prescribed contract if the transaction could have been effected by one contract only. Insurance contracts, credit contracts and contracts excluded by the regulations will not be prescribed contracts.

Clause 17 sets out requirements to be complied with in relation to prescribed contracts. Such a contract must contain the full terms of the agreement and must be printed or typewritten (apart from insertions or amendments). The consumer will not sign until after the contract has been executed by or on behalf of the supplier. A copy of the contract must be given to the consumer. The dealer must be identified. The contract must contain a statement in large type as to the cooling-off period. The consumer must be given notices as to rescission of the contract. Generally, the contract and these notices must be legible. An acknowledgment by the consumer that he or she has received a copy of the contract or the notices as to rescission will not be conclusive proof of that receipt.

Clause 18 prohibits a supplier or dealer accepting money or other consideration from the consumer during the cooling off period. Also, the supplier must not supply services during the cooling-off period. The cooling-off period is ten days from the making of the prescribed contract (see clause 13).

Clause 19 provides that a dealer may call on a person only between the hours of 9 a.m. and 8 p.m. Monday to Saturday and not at all on Sundays or on public holidays. However, prior arrangements for different times may be made with consumers.

Clause 20 requires a dealer to state the purpose of his or her call and to identify himself or herself and the supplier. If requested, a dealer must leave premises.

Clause 21 prohibits harassment or coercion of consumers by dealers or other persons.

Clause 22 provides that a consumer may rescind a contract to which this Part applies within 6 months if there has been a breach of this Part in relation to the contract. Also, a consumer may rescind a prescribed contract within the cooling-off period or within 6 months if clause 17 (1) has not been complied with. These rights of rescission may be exercised despite affirmation of the contract by the consumer and despite full execution of the contract (this abrogates the general rules of contract law).

Clause 23 provides that a consumer rescinds a contract by giving notice of rescission to the supplier. This notice must state the grounds for rescission except if rescission takes place within the cooling-off period. The notice must be in writing, either in the prescribed form or in a form that clearly indicates the consumer's intention. The notice may be given personally to the supplier or served by post.

Clause 24 provides for restitution after rescission of a contract—the supplier must refund any consideration received or its value and the consumer must return goods received or refund their value or the value of any services received (except in respect of services supplied during the cooling-off period—see clause 18 (2)). Subclause (2) relates to goods that are not collected by the supplier after rescission—after 28 days the goods will become the property of the consumer. A consumer will be liable for damage to goods except damage arising out of normal use or out of circumstances beyond the consumer's control. If restitution of goods is not possible, rescission may still occur but in this case the consumer must pay the value of the goods (see subclause (4)). A court may make orders to enforce rights under this clause.

Clause 25 provides that if a contract is rescinded any related contract or instrument, such as a guarantee, will be void.

Clause 26 prohibits waiver of rescission rights by consumers. (A dealer or supplier cannot therefore require such a waiver as a condition of a contract.)

Clause 27 prohibits the bringing of proceedings solely to recover amounts claimed to be owing by a consumer under a rescinded contract or contract that might be rescinded or the taking of other similar action.

Part IV, comprising clause 28, relates to mock auctions.

Clause 28 prohibits the promotion or conduct of a mock auction. Subclause (2) provides that an auction of goods is a mock auction if goods are sold for less than the highest bid made (except if the goods are found to be damaged or defective), the right to bid is restricted to persons who have bought or agreed to buy other goods, or goods are given away or offered as gifts.

Part V, comprising clauses 29 to 37, relates to reporting on consumers by reporting agencies or traders.

Clause 29 defines words and expressions used in this Part of the Bill. In particular:

'prescribed benefit' (being a benefit sought by a consumer in circumstances in which a reporting agency or trader might make a report about the consumer) is defined to mean a benefit of a commercial nature or affecting employment or the occupation of premises;

'prescribed report' means a communication of information about a person but does not include a communication made with the knowledge of the person and of information known to him or her (for example, a personal reference);

'reporting agency' means a person engaged in the business of providing prescribed reports.

Clause 30 provides that this Part will apply to residents of South Australia and persons carrying on business in the State.

Clause 31 requires reporting agencies and traders to adopt procedures that ensure fairness and accuracy in prescribed reports—for example, hearsay evidence is not to be used unless it is substantiated or the lack of substantiation is stated. Also, information concerning race, colour, religion or political belief is not to be included in prescribed reports at any time. Copies of written prescribed reports must be retained for six months.

Clause 32 requires a trader who denies a prescribed benefit to a person on the basis of a prescribed report about the person to give the person a copy of the report, if possible, and the name of the reporting agency or trader who provided the report.

Clause 33 requires a reporting agency to disclose to a person all information in its files relating to the person and to give to the person copies of all written prescribed reports made by the agency about the person and the names of the traders to whom reports, written or oral, were provided.

Clause 34 provides for the correction of errors in information used in prescribed reports given by reporting agencies or traders or otherwise compiled by reporting agencies. If an error is alleged, the reporting agency or trader holding the information must attempt to verify or supplement the information and must report back to the person alleging the error. If a change is to be made to the information, this change must be notified to certain persons who received a prescribed report based on the information. Appeals may be made to the Commercial Tribunal in respect of failing to correct information. Pending the determination of an appeal, a prescribed report based on the information in question must state that an appeal has been made in respect of the information.

Clause 35 provides that communications made about the credit-worthiness of a person are privileged.

Clause 36 provides for offences against this Part, including knowingly providing false or misleading information for the purposes of a prescribed report, divulging information from the files of a reporting agency without authority and obtaining information from a reporting agency or trader by false pretences.

Clause 37 empowers the Commercial Tribunal to make orders against a reporting agency or trader to ensure compliance with this Part, to prohibit the agency or trader from making prescribed reports or to require the agency or trader to comply with specified conditions when making reports. These orders may be made upon the application of the Commissioner. It will be an offence not to comply with an order.

Part VI, comprising clauses 38 to 40, relates to certain retail transactions.

Clause 38 prohibits limited offers of goods and failing to supply goods as demanded, but it is a defence in each case to show that the defendant did not have sufficient goods to be able to make higher offers or meet the demands or that the defendant was acting with the approval of the Commissioner.

Clause 39 prohibits selling goods or supplying services on condition that other goods or services must be purchased, unless the Commissioner has approved this practice.

Clause 40 provides that 'price tickets' must set out the cash price in a prominent position and in clear and legible figures.

Part VII, comprising clauses 41 and 42, relates to certain advertisements.

Clause 41 prohibits the publication, without the approval of the Commissioner, of advertisements suggesting that a consumer affairs authority (see clause 3) has approved or refrained from disapproving anything stated in the advertisement or the goods or services referred to in the advertisement.

Clause 42 empowers the Commissioner to require a person publishing an advertisement relating to goods, services or premises to provide proof of any claim made in the advertisement.

Part VIII, comprising clause 43, relates to the recovery of trading debts.

Clause 43 relates to actions or representations made by a creditor or an agent (that is, a person acting on behalf of a creditor or employed by a creditor to recover debts). A creditor or agent will be prohibited from engaging in certain conduct—for example, demanding payment of amounts that the creditor or agent does not honestly believe to be owing to the creditor, making personal calls on public holidays or outside certain hours on other days, communicating with a

debtor's employer, family or neighbour except to determine the debtor's whereabouts. The clause also prohibits the making of false representations to a debtor as to legal proceedings in the event of non-payment of a debt or the existence of official authority to demand payment.

Part IX, comprising clauses 44 and 45, relates to trading stamps.

Clause 44 defines words and expressions used in this Part of the Bill. In particular:

'prohibited trading stamp' is defined to mean a third-party trading stamp (that is, a trading stamp redeemable by a person other than the manufacturer or vendor of the goods or services) or a trading stamp relating to tobacco products, including cigarettes.

Clause 45 prohibits providing or offering to provide a prohibited trading stamp in connection with the sale of goods or services, redeeming a prohibited trading stamp or publishing an advertisement relating to prohibited trading stamps (except if the publisher did not know and could not be expected to know that the trading stamps were prohibited).

Part X, comprising clauses 46 to 57, deals with enforcement of the proposed Act and, to some extent, the related Acts, and Division I provides for certain powers of the Commissioner and authorised officers.

Clause 46 provides for the Commissioner to institute, take over or defend proceedings on behalf of a particular consumer in cases raising questions of law affecting consumers generally or a particular class of consumers or where it is in the public interest to do so. The Minister and the particular consumer must consent. The clause applies where the monetary claim does not exceed $100 000 or $50 000, in cases relating to premises, or $25 000 in other cases. Subclause (7) provides for the conduct of proceedings under this clause. The clause is based on section 18a of the Prices Act 1948, under which the Commissioner now has similar powers.

Clause 47 provides for the obtaining of information for the purposes of the proposed Act or a related Act. Persons may be required to answer questions or to produce books or documents, and there is an offence of failing to comply with a requirement or giving a materially false answer.

Clause 48 provides for the entering and inspection of premises for the purposes of the proposed Act or a related Act. Books or documents may be seized and tests conducted and samples taken during an inspection. Books or documents so seized may be retained but must not be held for longer than is necessary and may be inspected while retained. Unnecessary disruption of work or business must be avoided during an inspection and an authorised officer is required to identify himself or herself upon entry.

Division II of Part X relates to the enforcement of the proposed Act or a related Act by deeds of assurance or prohibition orders.

Clause 49 provides that the Commissioner and a trader, who has engaged in conduct constituting an offence, may enter into a deed of assurance under which the trader gives an assurance that he or she will refrain from engaging in such conduct and the Commissioner will not proceed against the trader, unless the trader acts contrary to the assurance.

Clause 50 provides for a register of such assurances which will be open to public inspection.

Clause 51 provides for an offence of acting contrary to a deed of assurance.

Clause 52 empowers the Commercial Tribunal to make an order against a trader who has acted contrary to an assurance. The order will prohibit the trader from engaging in conduct that constitutes an offence. The Tribunal may also vary or discharge such an order. The Commercial Tribunal Act 1982, will apply to breaches of such orders.

Division III of Part X contains certain general provisions relating to enforcement.

Clause 53 provides that offences against the proposed Act will be summary offences and that prosecutions must be commenced within 12 months after the alleged commission of an offence.

Clause 54 sets out a number of defences in respect of offences against the proposed Act, including: reasonable mistake, reasonable reliance on information supplied by another person, acts or defaults of another person and other matters beyond the defendant's control.

Clause 55 provides for expiation of offences against the proposed Act or a related Act. The offences in question will be prescribed in the regulations as will the expiation fee. An authorised officer may serve an expiation notice on a person suspected of committing an offence and if the person pays the fee no proceedings will be taken against him or her. Payment of the fee will not be an admission of liability. The Commissioner may withdraw an expiation notice if he or she thinks that an offence was not committed or alternatively that the offence should be prosecuted in the normal way.

Clause 56 contains provisions conferring vicarious liability for breaches of the proposed Act on principals, employers, directors of bodies corporate or persons who would derive pecuniary benefits from contracts formed in contravention of the Act.

Clause 57 contains evidentiary provisions in relation to authorised officers, delegations, contracts under Part III, dealers, proceedings under clause 46 and books or documents.

Part XI, comprising clauses 58 to 63, contains certain miscellaneous provisions.

Clause 58 provides that legal remedies existing apart from the proposed Act will not be affected.

Clause 59 prohibits a person from hindering an authorised officer exercising powers under the proposed Act or any other Act.

Clause 60 prohibits a person from impersonating an authorised officer.

Clause 61 provides for the manner of service of documents under the proposed Act.

Clause 62 provides that the proposed Act will apply notwithstanding any statement to the contrary in a contract or other agreement.

Clause 63 provides for the making of regulations. In particular, the regulations may prescribe codes of practice for traders or may exempt persons or transactions from the operation of the proposed Act.

The Schedule contains certain transitional provisions relating to the transfer of officers from the Prices Act 1948 to the proposed Act and to the application of the door to door trading provisions contained in Part III of the Bill.

Mr S.J. BAKER secured the adjournment of the debate.

TRADE PRACTICES (STATE PROVISIONS) BILL

Second reading.

The Hon. G.J. CRAFTER (Minister of Education): I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

This Bill enacts as State legislation Division I of Part V, and related provisions, of the Commonwealth Trade Practices Act. The Bill is the result of an agreement by the Standing Committee of Consumer Affairs Ministers on uniformity in consumer protection legislation between the Commonwealth and the States and Territories. The standing committee has been attempting for some time to bring about greater uniformity of consumer protection laws nationally.

Considerable work has been undertaken by the Commonwealth and State and Territory Governments over the past few years to reach a consensus on satisfactory consumer protection provisions in Part V Division I of the Trade Practices Act that could be mirrored in State and Territory legislation. As a result of this work the Commonwealth Government amended the Trade Practices Act last year and complementary legislation may now be enacted in South Australia.

The Commonwealth Trade Practices Act does not generally apply to the activities of individuals because of the constitutional limitations on the power of the Commonwealth. This Bill however will ensure that the provisions will apply not only to corporations but also to individuals and in doing so will extend the consumer protection provisions of the Trade Practices Act and enable the enforcement of those rights and obligations through the South Australian courts.

Part 1 comprising clauses 1 to 13, contains as well as formal and administrative provisions, the definitions clause and a series of further interpretation provisions.

Clause 1 is formal.

Clause 2 provides for commencement.

Clause 3 defines certain words and expressions used in the Bill; in particular:

'acquire' and 'supply' include, in relation to goods, exchange, lease, hire or hire purchase and purchase or sell, and, in relation to services, accept or provide, grant or confer:

'business' includes a non-profit business: 'goods' includes vehicles, animals, minerals, trees and crops, and gas and electricity:

'services' is widely defined to include any rights, benefits, privileges or facilities provided, granted or conferred in trade or commerce, whether in respect of real or personal property, under contracts relating to the performance of work or to amusement, entertainment, recreation or instruction or to the payment of remuneration in the nature of royalties, or otherwise; but 'services' does not include the supply of goods or the performance of work under a contract of employment:

'unsolicited goods' and 'unsolicited services' are defined to mean goods or services sent or supplied without any request being made.

Subclauses (2), (3), (4) and (5) extend the meaning of 'conduct'; 'engaging in conduct' includes doing or refusing to do any act, whether in relation to a contract, arrangement, understanding or convenant; 'refusing to do an act' includes refraining from doing an act or making it known that an act will not be done; and 'offering to do an act' includes making it known that applications, offers or proposals to do an act will be accepted, on a particular condition or not.

Clause 4 states that a provision of the proposed Act that renders a provision of a contract or convenant unenforceable will apply at the time when the provision of the contract or convenant had the prohibited effect.

Clause 5 provides for the application of the proposed Act to a person who acquires goods or services as a 'consumer'. Subclause (1) provides that a person will acquire goods or services as a consumer if the price of the goods or services does not exceed $40 000 or the goods or services are of a kind ordinarily acquired for personal, domestic or household use or consumption and, in the case of goods, the goods are not to be resupplied or used in a manufacturing process. Clause 6 also applies in respect of goods being a commercial road vehicle, and provides for cases where the price of goods or services is not immediately apparent.

Clause 6 extends the meaning of 'acquisition', 'supply' and 're-supply'; 'acquisition' includes acquisition of property in, or rights in relation to, goods; 'supply' and 'acquisition' each include agreeing to supply or acquire and also refer to supply or acquisition of goods or services together with other property or services; and 're-supply' includes supply of goods in an altered form or condition or incorporated with other goods.

Clause 7 relates to the purpose of a contract, arrangement or understanding and the purpose or reason for a person's conduct. In both cases, a particular purpose or reason need not be the only purpose or reason so long as it is a substantial one.

Clause 8 provides that 'loss' or 'damage' includes injury and damages in respect of an injury.

Clause 10 provides for the severance from a contract of provisions to be prohibited by the proposed Act.

Clause 11 relates to representations about future matters and provides that if such a representation is made without reasonable grounds, proof of which lies on the person making the representation, the representation is to be taken to be misleading.

Clause 12 provides that the proposed Act will apply to transactions, conduct and representations occurring within South Australia, whether in whole or in part, and also that the Crown will be bound by the proposed Act.

Clause 13 provides that the Commissioner for Consumer Affairs will administer the Act, subject to direction by the Minister.

Part II comprising clauses 14 to 32, regulates conduct engaged in in trade or commerce, including the making of representations.

Clause 14 contains a general prohibition on engaging in conduct, in trade or commerce, that is, or is likely to be, misleading or deceptive. Subclause (2) provides that the succeeding provisions of Part II do not limit this general prohibition.

Clause 15 prohibits unconscionable conduct in connection with the supply or possible supply of goods or services. Subclause (2) provides for matters to which a court may have regard in determining whether conduct is unconscionable, including the relative bargaining positions of the parties, the price of equivalent goods or services and any conditions applying to the transaction. The court may also have regard to whether the consumer was able to understand any documents relating to the transaction and whether any undue influence or pressure was exerted on the consumer. Subclause (3) provides that the mere institution of legal proceedings or reference of a dispute or claim to arbitration is not to be taken to be unconscionable conduct. Subclause (4) provides that a court should not have regard to circumstances that were not reasonably foreseeable at the time when the alleged unconscionable conduct occurred, but circumstances existing or conduct occurring before the commencement of this proposed section may be looked at. Subclauses (5) and (6) together confine the application of the proposed section to 'consumer' transactions.

Clause 16 prohibits the making, in trade or commerce, of misleading representations in respect of the characteristics or price of goods or services, the sponsorship, approval or affiliation of the supplier, the need for goods or services, or conditions or warranties.

Clause 17 concerns false or misleading representations made in respect of the sale of land or the grant of any interest in land. The representations that are prohibited relate to the sponsorship, approval or affiliation of the seller and the charactertistics and price of the land or interest in land. Also, gifts or other free items must not be offered. Subclause (2) prohibits the use of physical force or undue harassment or coercion in connection with the sale of land or the grant of any interest in land. Subclause (4) defines 'interest in land' and subclause (3) provides that this proposed section will not limit the application of the other provisions of Part II in relation to the supply or acquisition of interests in land.

Clause 18 applies to offers of employment and prohibits conduct that is liable to be misleading in relation to the availability, nature, or terms or conditions of the employment.

Clause 19 requires a supplier of goods or services to state the cash price of the goods or services whenever any representation is made as to an amount that would be part only of the consideration payable (for example, a deposit).

Clause 20 prohibits the offering of gifts, prizes or other free items in connection with the supply of goods or services if it is not intended to provide the gifts, prizes or items as offered.

Clause 21 prohibits conduct that is liable to be misleading in relation to the characteristics of goods.

Clause 22 prohibits conduct that is liable to be misleading in relation to the characteristics of services.

Clause 23 relates to bait advertising and subclause (1) prohibits the advertising of goods or services at a specified price where there are reasonable grounds for believing that the goods or services will not be available at that price for a reasonable period and in reasonable quantities. Subclause (2) requires a person who has advertised goods or services at a specified price to supply them at that price for a reasonable period and in reasonable quantities. Subclause (3) provides that it is a defence to a charge under subclause (2) if it is established that goods or services of the same kind or equivalent goods or services were offered for supply immediately or within a reasonable time and at the advertised price and in a reasonable quantity.

Clause 24 prohibits referral selling, that is, inducing a person to acquire goods or services by offering a rebate, commission or other benefit if the person refers other people to the supplier.

Clause 25 prohibits acceptance of payment for goods or services if the supplier does not intend to supply the goods or services as agreed or there are reasonable grounds for believing that the goods or services will not be available as agreed.

Clause 26 relates to representations about business activities. Subclause (1) prohibits the making of false or misleading representations about the profitability or other material aspects of businesses that may be carried on, at, or from residences. Subclause (2) prohibits similar representations in respect of business activities requiring the performance of work or both the performance of work and the investment of money.

Clause 27 prohibits the use of physical force or undue harassment or coercion in connection with the supply of goods or services to a consumer or the payment for goods or services by a consumer.

Clause 28 relates to pyramid selling schemes. Subclause (1) prohibits the receiving of payments as a promoter of or a participant in a scheme, where the person making the payment is induced to do so by the prospect of himself or herself receiving payments or other benefits under the scheme. Subclause (2) prohibits a promoter of or a participant in a scheme from attempting to induce a person to become involved in the scheme. Subclause (3) prohibits a person taking part in a scheme under which another person is induced to make payments by the prospect of himself or herself receiving payments under the scheme. Subclause (4) provides that the prohibitions against inducements apply whether or not the inducements relate to legally enforceable rights, that an inducement is prohibited where the prospect of receiving payments is a substantial part of the inducement and that payments may be only partly for the benefit of a person but still caught by the prohibitions in subclauses (1) to (3). Subclause (5) provides that a scheme will be caught if goods or services or both are to be provided by the promoter or promoters of the scheme under transactions arranged by participants in the scheme. Subclause (6) makes further provision in relation to the application of this clause.

Clause 29 prohibits the sending of unsolicited credit cards or debit cards. Unsolicited in this clause denotes sent without a request in writing from the person who will be liable for the use of the card or sent otherwise than in renewal of or substitution for or as a replacement for a previous card. Subclause (2) restricts the application of the clause to the sending of cards by or on behalf of the issuer. Subclause (3) prohibits action enabling use of a credit card as a debit card or vice versa except as authorized by the holder of the card. 'Credit card' is defined in subclause (4) to mean an article intended for use in obtaining cash, goods or services on credit and 'debit card' means an article intended to be used to obtain access to a bank or other account for withdrawing or depositing money or obtaining goods or services.

Clause 30 prohibits the asserting of a right to payment for unsolicited goods or services or for making an entry in a directory, unless there is reasonable cause to believe that a right to payment exists or that the making of the entry was authorised. Subclause (4) provides that unless the making of an entry in a directory was authorised there is no liability to pay for it and that any amount that has been paid may be recovered. Subclause (5) sets out the circumstances in which an assertion of a right to payment will be taken to have been made. Subclause (6) provides for when a person will be taken to have authorised the making of an entry in a directory. Subclause (7) provides that unless the contrary is established an invoice purportedly sent by or on behalf of a person will be deemed to have been so sent. Subclause (8) provides that a defendant under this clause must establish that there were reasonable grounds for believing that a right to payment existed or that the making of an entry in a directory was authorised. Subclause (9) provides that 'directory' does not include a newspaper or a publication of the Australian Telecommunications Commission and that 'making' means including, or arranging for the inclusion of, an entry in a directory.

Clause 31 relates to the liability of the recipient of unsolicited goods. Subclause (1) provides that the recipient is not liable to pay for the goods or for loss of or damage to the goods (except loss or damage resulting from a wilful and unlawful act occurring during the specified period). Subclause (2) provides that unsolicited goods may not be recovered after the specified period and then become the property of the recipient. Subclause (3), however, provides that subclause (2) does not apply if the recipient unreasonably refused to allow the sender or owner of the goods to

repossess them, if the goods are repossessed or if the recipient should have known that the goods were not meant for him or her. Subclause (4) sets out the specified period applying under subclauses (1), (2) and (3) - the period will be one month or three months depending on whether the recipient gives notice that the goods are unsolicited goods.

Clause 32 applies to prescribed information providers (that is, persons who carry on a business of providing information, including radio and television licensees, the ABC and SBS - see subclause (3)). Subclause (1) provides that clauses 14, 16, 17, 21, 22 and 26 do not apply to publications by prescribed information providers except publications by advertisement or except in relation to the provision of goods or services, or the sale or grant of interests in land, by the prescribed information provider itself or if the publication was made pursuant to a contract with supplier of the goods or services or interests in land. Radio and television broadcasts are covered (see subclause (2)).

Part III comprising clauses 33 to 44, relates to enforcement and remedies.

Clause 33 states when a person is to be taken to be involved in a contravention of a provision of Part II.

Clause 34 provides for offences against Part II, other than clauses 14 or 15. The offences are minor indictable offences.

Clause 35 provides for penalties - maximum $100,000 for a company and $20,000 in other cases. Subclauses (2) and (3) provide for the aggregation of penalties.

Clause 36 provides for an injunction to be granted in the course of proceedings on indictment for an offence.

Clause 37 provides generally for injunctions restraining unlawful conduct or for requiring the doing of any act or thing. Injunctions may be granted *ex parte*; interim injunctions may be granted; and injunctions may be rescinded or varied. Subclause (5) provides for the power of the court to grant restraining orders and subclause (6) applies to mandatory injunctions. Subclauses (7) and (8) relate to cases where the Minister or the Commissioner for Consumer Affairs applies for an injunction.

Clause 38 provides for the making of orders to disclose information to the public or a particular person or class of persons or to publish advertisements. The orders may be made against persons involved in contraventions of Part II, other than clause 15.

Clause 39 gives a right of action to recover damages for loss suffered by reason of conduct done in contravention of Part II, other than clause 15. A three year limitation period applies.

Clause 40 is an evidentiary provision. Findings of fact in certain proceedings will be *prima facie* evidence in other proceedings under the proposed Act.

Clause 41 relates to conduct of the directors of a body corporate or of the servants or agents of a body corporate or other person. The conduct and state of mind of a director, servant or agent will be imputed to the body corporate or other person.

Clause 42 sets out a number of defences to contraventions of Part II, including: reasonable mistake, reasonable reliance on information supplied by another person, acts or defaults of another person and other matters beyond the defendant's control, and, in relation to the publication of an advertisement, publication in the ordinary course of business of a publisher who had no reason to suspect that publication of the advertisement would be a contravention.

Clause 43 provides for orders to be made to compensate a person for loss or damage suffered as a result of a contravention of Part II. The orders may be made on the application of that person or of the Commissioner acting on behalf of such a person or on the court's own initiative. The possible orders include: declaration that a contract is void, an order to vary a contract, an order refusing to enforce a contract, an order for the refund of money or return of property, an order for payment of damages, an order to repair goods or supply parts for goods, an order to supply specified services, an order to execute an instrument in relation to the creation or transfer of an interest in land.

Clause 44 provides for injunctions of the type usually known as 'Mareva injunctions'. These injunctions will be directed to the property or assets of a defendant to proceedings for an offence, for an injunction related to conduct, for damages or for an order under the proposed section 43, and may prohibit any dealings in the property or assets so as to preserve them in anticipation of judgment being given against the defendant. It will be an offence not to comply with an order made under this proposed section.

Clause 45 provides for the making of regulations.

Mr S.J. BAKER secured the adjournment of the debate.

STATUTES AMENDMENT (TRADE PRACTICES AND FAIR TRADING) BILL

Second reading.

The Hon. G.J. CRAFTER (Minister of Education): I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

This Bill effects a number of amendments to legislation which are consequential upon the provisions of the Fair Trading Bill 1986 and the Trade Practices (State Provisions) Bill 1986.

It is intended that the consumer protection provisions in the Prices Act will be incorporated in the Fair Trading Act and thus the Bill makes consequential amendments to some of the provisions of the Prices Act. Further, it is proposed that the regulation of a number of trade practices, now regulated under separate Acts, will be effected in either the Trade Practices (State Provisions) Act or the Fair Trading Act. The Bill therefore repeals these individual Acts.

The opportunity has also been taken to improve the drafting of some provisions in the Prices Act and to delete some provisions of that Act which are now obsolete.

Clause 1 is formal.

Clause 2 provides for commencement.

Clause 3 is formal.

Clause 4 amends the long title to the Prices Act 1948 in consequence of the substantive amendments to that Act proposed by this Bill.

Clause 5 amends section 3 of the Prices Act 1948 by inserting new definitions of 'authorised officer' and 'Commissioner', by striking out the now unnecessary definition of 'consumer' and by striking out subsection (2), a construction of references provision, which is also no longer necessary.

Clause 6 substitutes sections 4 to 10 of the Prices Act 1948 which relate to the administration of that Act. The new section 4 provides for the appointment of a Commissioner for Prices and the new section 5 states that the Commissioner has the administration of the Act. The new section 6 provides for the appointment of authorised offi-

cers to exercise certain powers under the Prices Act. The new section 7 provides for the delegation of the powers under the Prices Act of the Minister and the Commissioner for Prices. The new section 8 prohibits a person from divulging information acquired under the Prices Act except with the consent of the person to whom the information relates, for the administration of the Act, to a police officer, to certain interstate authorities or in legal proceedings. The new sections 9 and 10 provide for means by which authorised officers can obtain information for the purposes of the Prices Act—by requiring persons to answer questions or to produce books or other documents, by entering and inspecting premises, by seizing samples of goods or books or documents—but unnecessary disruption of business or work must be avoided and books and documents must not be held for longer than is necessary and may be inspected while held.

Clause 7 repeals sections 18a and 18b of the Prices Act 1948 which relate to protection of consumers. Equivalent provisions are contained in the Fair Trading Bill.

Clause 8 repeals section 32 of the Prices Act 1948 which relates to accepting goods in a quantity and of a quality less than that agreed upon. The Trade Practices (State Provisions) Bill will cover such cases.

Clause 9 repeals sections 33a to 33e of the Prices Act 1948 which apply to certain practices relating to the sale of goods. Equivalent provisions are contained in the Fair Trading Bill.

Clause 10 repeals section 49a of the Prices Act 1948 which provides for immunity of suit for officers acting under the Act. As all such officers will be in the Public Service of the State the immunity provisions of the Government Management and Employment Act 1985 will apply (see section 78 of that Act which also provides that the Crown will be liable for the acts of its servants).

Clause 11 repeals the existing schedule to the Prices Act 1948 which, because of the proposed new secrecy provision, is not necessary.

Clause 12 amends the Builders Licensing Act 1986 which will be a 'related Act' under the proposed Fair Trading Act (that is, an Act that the Commissioner for Consumer Affairs will administer and to which the administrative provisions of the Fair Trading Act will apply). References to the Commissioner for Consumer Affairs are corrected; section 43, relating to powers of entry and inspection, is struck out since the Fair Trading Bill contains equivalent provisions that will apply to the Builders Licensing Act; and, lastly, a reference to authorised officers under the proposed Fair Trading Act, rather than the Prices Act, is inserted.

Clause 13 amends the Consumer Credit Act 1972 which will be a 'related Act' under the proposed Fair Trading Act. References to the Commissioner for Consumer Affairs are corrected; and sections 8, 10, 11 and 12, relating to delegations, immunity from suit, secrecy and powers of entry and inspection, are struck out since the Fair Trading Bill contains the necessary equivalent provisions that will apply to the Consumer Credit Act.

Clause 14 amends the Consumer Transactions Act 1972 which will be a 'related Act' under the proposed Fair Trading Act. References to the Commissioner for Consumer Affairs are corrected and a new section 6a inserted, which provides that the Commissioner will administer this Act.

Clause 15 repeals the Door to Door Sales Act 1971. Part III of the Fair Trading Bill contains new provisions relating to door to door trading.

Clause 16 repeals the Fair Credit Reports Act 1974. Part V of the Fair Trading Bill contains new provisions relating to reports given to traders in respect of consumers.

Clause 17 amends the Land Agents, Brokers and Valuers Act 1973 which will be a 'related Act' under the proposed Fair Trading Act. A reference to authorised officers under the proposed Fair Trading Act, rather than the Prices Act, is inserted.

Clause 18 amends the Misrepresentation Act 1971; the provision to be struck out contains a reference to the Unfair Advertising Act 1970 which is to be repealed (the proposed Trade Practices (State Provisions) Act will apply to unfair advertisements).

Clause 19 repeals the Mock Auctions Act 1972. Part IV of the Fair Trading Bill contains new provisions relating to mock auctions.

Clause 20 repeals the Pyramid Sales Act 1973. The Trade Practices (State Provisions) Bill contains new provisions relating to pyramid sales.

Clause 21 amends the Second-hand Goods Act 1985 which will be a 'related Act' under the proposed Fair Trading Act. References to the Commissioner for Consumer Affairs are corrected, and a reference to authorised officers under the proposed Fair Trading Act, rather than the Prices Act, is inserted.

Clause 22 amends the Second-hand Motor Vehicles Act 1983 which will be a 'related Act' under the proposed Fair Trading Act. References to the Commissioner for Consumer Affairs and authorised officers under the proposed Fair Trading Act, rather than the Prices Act, are corrected.

Clause 23 repeals section 33 of the Trade Measurements Act 1971 which relates to false statements of the measurements or mass of goods. The proposed Trade Practices (State Provisions) Act will cover such cases.

Clause 24 repeals section 31 of the Trade Standards Act 1979 which provides that a person shall not provide materially inaccurate information in respect of goods or services. The Trade Practices (State Provisions) Bill contains similar provisions.

Clause 25 repeals the Trading Stamp Act 1980. The Fair Trading Bill contains equivalent provisions.

Clause 26 amends the Travel Agents Act 1986 which will be a 'related Act' under the proposed Fair Trading Act. References to authorised officers under that proposed Act, rather than the Prices Act, are corrected, and sections 27 and 28, which relate to powers of inspection and secrecy, are struck out since the Fair Trading Bill contains equivalent provisions that will apply to the Travel Agents Act.

Clause 27 repeals the Unfair Advertising Act 1970. The proposed Trade Practices (State Provisions) Act will apply to unfair advertisements.

Clause 28 repeals the Unordered Goods and Services Act 1972. The Trade Practices (State Provisions) Bill contains provisions in respect of unordered goods and services.

The schedule makes further amendments to the Prices Act 1948 for the purposes of consolidating that Act.

Mr S.J. BAKER secured the adjournment of the debate.

TRADE MEASUREMENTS ACT AMENDMENT BILL

Second reading.

The Hon. G.J. CRAFTER (Minister of Education): I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

This Bill proposes a range of technical and machinery amendments to the Trade Measurements Act 1971. The Trade Measurements Act establishes the regime under which standards of measurement of physical quantities for the purposes of trade are established, maintained, and enforced. The State Act is explicitly linked to the Commonwealth National Measurement Act as part of a long-standing arrangement to promote uniform national units and standards of measurement. In 1984, the National Measurement Act was amended, making some changes to terminology and to the procedures for establishing and maintaining a hierarchy or standards of measurement. It has therefore been necessary to change some of the terminology of the Trade Measurements Act so as to preserve the relationship of State measurement standards to the national system of standards.

At the same time, the opportunity has been taken to review some other aspects of the Act. In particular, the penalties have been reviewed comprehensively for the first time since 1967. Generally, they have been increased by a factor of about five, subject to rounding-off in some cases. In the few cases where the increase of penalty is of a higher order, that has followed a review of the offence in question and a setting of the penalty on a scale corresponding to the scale of penalties established for comparable offences under the Trade Standards Act 1979.

Other procedural matters concerning prosecutions have also been brought into line with procedures set out in contemporary legislation.

Clause 19 tightens the sanctions concerned with the sale of coal or firewood. At present, Section 36 of the Act requires coal or firewood to be sold by net mass, but goes on to specify a set of conditions under which it is permissible to sell coal or firewood other than by net mass—for example, according to a fixed price per truckload. However, because of the high incidence of detected cases in which the effective price to the consumer per tonne of fuel sold in this manner is far higher than the ruling market price, the Government has decided that the existing exemption ought not to continue and that in future coal or firewood should be sold strictly by mass. Provision is made in the amendment for persons who may make casual sales other than in the course of business.

This amending Bill does not represent a comprehensive review of the Trade Measurements Act. That exercise is being conducted at a national level with a view to developing uniform trade measurements legislation. However, it is not expected that that exercise will be completed before the middle of 1988. In the meantime, the present amendments are necessary for the effective administration of the Trade Measurements Act.

Clause 1 is formal.

Clause 2 provides that this Bill is to come into operation on a day to be fixed by proclamation.

Clause 3 provides for the repeal of section 3 of the principal Act, which details the arrangement of the parts of the principal Act.

Clause 4 amends section 5 of the principal Act, which is the interpretation section. Several amendments are made to the definitions of terms incorporated by reference to the National Measurements Act 1960 of the Commonwealth, to correspond with the 1984 amendments of that Act.

Clause 5 provides for the repeal of sections 7, 8, 9 and 10 of the principal Act which deal principally with the provision, custody and maintenance of the State standards of measurement, and inserts a new section 7. Proposed section 7 provides that the Commissioner for Standards shall arrange for the provision, custody and maintenance of such State primary standards of measurement and such classes of reference standards of measurement as are necessary to provide means by which measurements may be made in terms of Australian legal units of measurement.

Clause 6 amends section 11 of the principal Act by striking out subsection (4) which deals with the recording of all Inspector's Standards that have been verified or reverified. (An Inspector's Standard is, by virtue of the Commonwealth Weights and Measures (National Standards) Regulations, a standard of measurement that is of a certain denomination, that on verification or reverification is found not to exceed the permitted variation of that standard of measurement and is deemed to be of a value equal to its denomination).

Clause 7 upgrades the penalty for falsifying or wilfully or maliciously damaging or destroying any standard provided and maintained under the principal Act, from $200 to $1 000.

Clause 8 amends section 20 of the principal Act which deals with the Commissioner for Standards. The clause inserts a new subsection (3), which provides that the Commissioner for Standards may delegate (in writing) any of his or her powers under this Act or any other Act, either conditionally or unconditionally. A delegation is revocable at will and does not operate to prevent the Commissioner from acting personally in any matter.

Clause 9 upgrades the penalty for an inspector who fails to observe the requirement of secrecy in relation to information that comes to the inspector's knowledge in the course of the performance of his or her duties or who stamps any measuring instrument otherwise than as required by the principal Act, from $200 to $1 000.

Clause 10 upgrades the penalty for failing to comply with any specification contained in a ministerial notice specifying the period, the purposes or the circumstances in which a measuring instrument may be used for trade, from $200 to $1 000.

Clause 11 upgrades the penalty for using or having possession for use for trade any measuring instrument that is not legally stamped or is incorrect or unjust, from $500 to $2 000.

Clause 12 upgrades the penalty for using a measuring instrument that has become defective or has been repaired unless it has been re-stamped, from $200 to $2 000. The penalty for failing to obliterate any existing stamp from a measuring instrument that a person is repairing is similarly upgraded.

Clause 13 upgrades the penalty for the following offences in connection with masses and measuring instruments, from $200 to $5 000:

(a) using, or having in possession for use for trade, a mass or measure of an unauthorised denomination;

(b) forging or counterfeiting or causing to be forged or counterfeited or assisting in the forging or counterfeiting of or unlawfully possessing any stamp used for stamping under the principal Act, any measuring instrument, or, unless authorised to do so, making an impression on a measuring instrument purporting to be the impression of any such stamp or altering any date mark used in connection with the impression of any such stamps;

(c) tampering with any stamped measuring instrument so as to cause it to measure incorrectly or unjustly;

(d) using, selling, disposing of, or exposing for sale any measuring instrument so tampered with or any

measuring instrument bearing a forged or counterfeit stamp;

(e) making, or selling, or causing to be made or sold any measuring instrument which is false or unjust;

(f) increasing or diminishing any stamped mass or measure or using, selling, disposing of or exposing for sale any increased or diminished measure.

Clause 14 provides for the repeal of section 30 of the principal Act, which deals with the use of unjust measuring instruments. Section 30 is a duplicatory provision, as all prosecutions which could be brought under section 30 can be dealt with under section 27 of the principal Act.

Clause 15 amends section 31 of the principal Act, which renders void any transaction made or entered into by reference to other than Australian legal units of measurement.

Paragraph *(a)* is a procedural amendment.

Paragraph *(b)* upgrades the penalty for selling by a denomination of mass or measure other than one of the Australian legal units of measurement, from $200 to $1 000.

Clause 16 amends section 32 of the principal Act, which requires the sale of any article by mass or measure to be by net mass or measure.

Paragraph *(a)* provides for the repeal of subsections (2) and (3) and the substitution of 2 new subsections.

Proposed subsection (2) requires that where any person offers for sale by mass or measure any article, whether in a shop or otherwise, that person must have suitable measuring instruments to measure the article located in a convenient place so as to be easily seen by the purchaser. The penalty for this offence has been upgraded from $100 to $500.

Proposed subsection (3) requires that a seller, if requested by a purchaser of any article sold by mass or measure, must measure the article in the presence of the purchaser. The general penalty (of $1 000) applies to a breach of subsection (3).

Paragraphs *(b)* and *(c)* upgrade the penalties for selling an article that is less than the due mass or measure, from $200 to $1 000 (for a first offence), and from $400 to $2 000 (for a second or subsequent offence).

Clause 17 upgrades the penalty for making any false declaration or wilfully misleading any person as to the mass, measure or quality of any article sold or delivered. The penalty for a first offence has been upgraded from $500 to $5 000, and for a second or subsequent offence, from $1 000 to $10 000.

Clause 18 upgrades the penalty for selling any article by short mass, measure or quality, from $500 to $2 000 (for a first offence) and $1 000 to $5 000 (for a second or subsequent offence).

Clause 19 provides for the repeal of subsection (1) of section 36 of the principal Act, which deals with the sale of coal or firewood, and the substitution of two new subsections. Proposed subsection (1) makes it an offence to sell coal or firewood otherwise than by net mass, punishable by a fine of up to $500 (previously $100). Proposed subsection (1a) provides that it is a defence to proceedings instituted under subsection (1) for a defendant to prove that the sale was not made in the course of carrying on the business of selling coal or firewood.

Clause 20 provides for the repeal of section 37 of the principal Act, which requires all proceedings under the principal Act to be disposed of summarily. This repeal is consequent on the proposed repeal of section 43 of the principal Act, effected by clause 22, and the substitution of a new section 43, that includes a provision dealing with summary procedure.

Clause 21 upgrades the general penalty for offences from $200 to $1 000 and strikes out the limitation period applicable to the commencement of proceedings for offences against the principal Act. (The limitation period is dealt with in proposed section 43, inserted by clause 22.)

Clause 22 provides for the insertion of an evidentiary provision, consequent upon the insertion (effected by clause 8) of a delegation provision empowering the Commissioner for Standards to delegate any of his or her powers.

Proposed subsection 40 (3) provides that an apparently genuine document purported to be signed by the Commissioner containing particulars of a delegation under the principal Act shall be accepted as proof of the particulars in the absence of proof to the contrary.

Clause 23 provides for the repeal of section 43, requiring ministerial consent to the commencement of prosecutions under the principal Act, and the substitution of a new section 43.

Proposed subsection (1) provides for all proceedings for an offence against the principal Act to be disposed of summarily, to be commenced within three years of the date of the commission of the offence or within one year of the offence coming to the knowledge of the complainant or an inspector, whichever period first expires, and for such proceedings not to be commenced by a person other than the Commissioner for Standards or an inspector, except with the consent of the Minister.

Proposed subsection (2) is an evidentiary provision, making an apparently genuine document, purporting to be signed by the Minister certifying the Minister's consent to the commencement of proceedings, proof of that consent in the absence of proof to the contrary.

Clause 24 upgrades the penalty for hindering or obstructing an inspector in the course of his duty, and other offences, from $200 to $2 000.

Clause 25 amends section 50 of the principal Act which details the powers of the Governor to make regulations under the principal Act. Paragraph *(a)* is a procedural amendment, consequent upon the amendment effected by clause 5. Paragraph *(b)* upgrades the maximum penalty for a breach of any regulation made under the principal Act, from $100 to $500.

Clause 26 provides for the repeal of the second schedule to the principal Act, which tables the maximum ranges within which values of reference standards, as determined on verification or reverification, are expected to lie, consequent on the repeal of section 7 of the principal Act, effected by clause 5 of this Bill.

Mr S.J. BAKER secured the adjournment of the debate.

ENFIELD GENERAL CEMETERY ACT AMENDMENT BILL

Received from the Legislative Council and read a first time.

ADJOURNMENT

At 6.35 p.m. the House adjourned until Tuesday 10 March at 2 p.m.