HOUSE OF ASSEMBLY

Wednesday 18 March 1987

The SPEAKER (Hon. J.P. Trainer) took the Chair at 2 p.m. and read prayers.

CRIMINAL INJURIES COMPENSATION ACT AMENDMENT BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

MEMBERS' BEHAVIOUR

Mr LEWIS (Murray-Mallee): I rise on a point of order, Mr Speaker. I realise that I was as remiss as some of my colleagues in that respect when I rose on a point of order without the Mace being on the table. However, having apologised to you, Sir, and to the House for that misdemeanor, may I ask for your direction as to the way in which members conduct themselves during those occasions on which the Mace is not on the table in the first instance and, in the second instance, on those occasions when you, Mr Speaker, are on your feet addressing the House? Is it permissible for members to walk around the Chamber during that time? The third point to which I wish to draw your attention by way of point of order, Sir, concerns whether or not it is appropriate for members on entering and leaving the Chamber to acknowledge the Chair, when they do so on first coming in sight of the Chair on reaching the precincts of the Chamber?

The SPEAKER: I thank the honourable member for his point of order. The Chair has for some time noticed those breaches of Standing Orders and traditions to which the honourable member has referred, but the Chair did not wish to seem excessively pompous by drawing attention to them personally. I thank the honourable member for drawing to the attention of honourable members those practices of the House and ask that they abide by them in future.

PETITION: ESCORT AGENCIES

A petition signed by 617 residents of South Australia praying that the House urge the Government to legislate to ban the operation of escort agencies and brothels was presented by Mr De Laine.

Petition received.

PETITION: ADOPTIONS

A petition signed by 542 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 Mr M.J. Evans.

Petition received.

PETITION: YORKE PENINSULA INTERSECTION

A petition signed by 51 residents of South Australia praying that the House urge the Minister of Transport to reassess traffic warning signs at the intersection of the Hayward Park-Coobowie and Yorketown-Port Giles roads was presented by Mr Meier.

Petition received.

MINISTERIAL STATEMENT: ETSA FINANCING ARRANGEMENTS

The Hon. J.C. BANNON (Premier and Treasurer): I seek leave to make a statement.

Leave granted.

The Hon. J.C. BANNON: I wish to make a statement to the House on certain financing arrangements undertaken by the Electricity Trust of South Australia in relation to the Torrens Island Power Station. I am making this statement in order to set the record straight on these transactions and to correct the misinformation and confusion which have resulted from certain statements made by the Leader of the Opposition.

All transactions undertaken by ETSA are conducted in conformity with all relevant finance and tax laws. At every stage, these transactions are checked with Crown Law officers and at their conclusion they are reported on to this Parliament by the Auditor-General. In addition, they are reported in the ETSA Annual Report, which is tabled in this Parliament. Statements by the Leader of the Opposition have confused two separate leasing arrangements for the Torrens Island Power Station.

Last week he asked questions about one transaction that had recently been concluded for the sale and lease back of four turbines at B Station at the Torrens Island Power Station. The Leader also claimed that a number of substations had been sold. In this House, and subsequently outside the House, I gave details of the four turbine transactions which, incidentally, had been published in the media two months previously. For the benefit of members opposite, I now provide those details again.

Torrens Island Power Station has not been sold for $150 million. A financing transaction valued at $125 million over 10 years, which will earn ETSA a one-off benefit of around $1 million in 1986-87, has been entered into. This only relates to four turbines in one section of B Station, which is only part of the Torrens Island complex. This financing arrangement has valued the turbo generators at four times their current written down cost to ETSA. The investors in this arrangement are from overseas and will receive benefits from the investment allowances in their own countries.

Northfield substation has not been sold for $15 million or any amount. No arrangement has been entered into concerning this substation. Dry Creek, Snuggery and Mintaro substations have not been sold, nor have any financing arrangements for these substations been entered into. Yesterday, further claims were made about Torrens Island Power Station. These claims were based on a misunderstanding of certain documents which are on the public record.

The documents concern continuing negotiations for further leasing arrangements at the Torrens Island Power Station. This transaction has not been finalised and was separate from the transaction about which I was questioned last week. As part of this second arrangement, a number of documents have been prepared and lodged, including at the South Australian Land Titles Office. These documents are merely preparation in the event that a financing transaction is finalised. I table a copy of the memorandum of lease.

ETSA has received no payments from any company for this potential arrangement. I would also point out that if such an arrangement took place it would represent essen-

tially the same as that reported on the Northern Power Station and Leigh Creek coal supplies in ETSA's 1985-86 Annual Report and that of the Auditor-General for the year ended 30 June 1986. What these transactions mean is that ETSA raises funds from investors for capital purposes against the security of its capital equipment. Such transactions are legitimately organised by investors through a single entity: in this case that entity would be the company called Lashkar. This is usual and common commercial practice and is continually undertaken by Australia's major investment banking and financial institutions.

In the case of Lashkar, four directors are drawn from the eminent and widely respected investment bankers Babcock and Brown. Lashkar is simply a legal entity that allows all documentation and legal responsibilities, from the point of view of the investors, to be focused in a single place. This is exactly the same practice used for the financing transactions undertaken by the Tonkin Government for ETSA. At that time, several similar companies were used, including Omnibus and Randers. The details of the company are freely available to the public and are registered in the appropriate Corporate Affairs Office. I table documents registered and lodged with the Corporate Affairs Commission in the ACT for Lashkar.

ETSA uses the money to finance the power stations and the generation of electricity to South Australian consumers. By raising money in this way ETSA reduces its costs through lower interest rates and is able to pass on savings to consumers in the form of lower electricity prices. For their part, the investors receive a fixed rate of return. There are provisions written into the leasing arrangements to ensure that South Australians retain sovereignty over their power supplies. The following conditions apply to all contracts for such financing transactions:

1. There is no interference with the trust's rights or abilities to properly operate and maintain the assets involved in accordance with its normal requirement to do so in the interests of its customers and the State.

2. The trust uses its normal resources, including its own employees, to operate and maintain the assets.

3. Only those arrangements which are financially beneficial to the trust's customers are considered, that is, arrangements which produce monetary benefits to the trust that allow a lower tariff than otherwise would be possible.

4. Any such arrangements are made in conjunction with State Treasury and the South Australian Government Financing Authority. Transactions can only be entered into with the consent of the State Treasurer.

5. All legal documentation entered into relating to any financing arrangement is reviewed in each case by competent legal advisers, including Crown Law.

In addition, it should be noted that these financing arrangements have been undertaken within the Loan Council global limits set for this State's borrowing; were not entered into to avoid Loan Council global limits nor because normal, conventional borrowing mechanisms were not available; have resulted in substantial savings compared with conventional borrowing costs—the arrangements do not impose additional burdens on future generations because of the impact of lower financing charges; and, are not off-balance sheet. Also, any indemnities given to investors in these transactions have been the subject of extensive and expert favourable legal advice and clearance by the relevant tax authority.

Where the leasing arrangements result in additional levels of borrowing to be subsequently repaid, these borrowings form part of normal Australian Loan Council borrowing allocations. Disclosures of the existence and financial effects of any financing arrangement entered into are made in the annual reports of both ETSA and the Auditor-General. They have also been considered by the Parliamentary Select Committee on Energy Needs in South Australia.

I table extracts from ETSA's 1985-86 Annual Report and that of the Auditor-General, and I make the point that any financing transactions are reported during the year in which they are finalised and commence. However, as I pointed out last week, it is important to maintain some commercial confidentiality of the arrangements. This should not be taken to mean there is anything questionable about these transactions; it is simply the case that investors entering into these arrangements require some confidentiality, as is general business practice. If South Australia wishes to enjoy the benefits of these financing arrangements, we must accept this commercial confidentiality.

The South Australian Government will continue to use these transactions in order to ensure electricity tariffs in this State are kept as low as possible. In addition, we will explore other areas where such financing arrangements can be made which would lessen the financial burden on this State.

AUDITOR-GENERAL

The SPEAKER: Before calling on questions, I refer to a question asked by the member for Light yesterday relating to the role of the Auditor-General. In view of that official's responsibility to the Parliament, the question was directed to me, as Speaker. I have since read the report in the magazine referred to and consulted with the Auditor-General. He has, in consequence, written to me as follows:

Dear Mr Speaker,

I refer to an article published in the *Business Review Weekly* of 6 March 1987 in which it was stated that the Deputy Head of the South Australian Treasury criticised the Auditor-General for publishing 'partial and misleading data' concerning the State's indebtedness. The article was raised in Parliament yesterday by the member for Light, Dr Eastick. I believe the statement in that article needs to be corrected and placed in context.

The data referred to by Mr Emery was linked to a Treasury prepared statement also included in the Audit Report. From press articles at the time, it became clear that, while the published information (by both Audit and Treasury) may have been meaningful to those with a knowledge of Government finance and accounting, it was open to misunderstanding by those without that detailed knowledge. In the event, the Treasurer advised Parliament that Treasury would prepare a document to clarify the position, and that document was made available in late 1985. Audit saw little point in duplicating that work by conducting a similar exercise, as it was planning to do.

Like my colleagues interstate, I am concerned that the public, through the Parliament, is provided with factual and meaningful information, and that there is full disclosure and accountability on the increasing and diverse operations now conducted by Governments generally. Many changes have been made to the Audit Report in recent years (including public debt) to achieve this aim, in many cases by encouraging Government agencies to be more informative in their published accounts. I see this aim continuing to be achieved through cooperation rather than a high profile approach.

Finally, I can assure the Parliament that the independent role of the Auditor-General will be preserved at all times. In line with established practice, I will continue to report on matters of efficiency and economy of public sector operations, and will continue to ensure that the financial operations of Government are disclosed in a proper and meaningful way.

A response along these lines was forwarded to the *Business Review Weekly* on 11 March 1987 with a request for it to be included in their publication of 20 March 1987. I have forwarded a copy of this letter to the Premier and Treasurer, the Leader of the Opposition, the member for Light, and the Attorney-General, and to the Leader of the Opposition in the Legislative Council.

Yours sincerely,

(Signed) T. A. Sheridan

Auditor-General

QUESTION TIME

ETSA FINANCING ARRANGEMENTS

Mr OLSEN: Will the Premier say when the lease with Lashkar and Torrens Island will take effect? Will he confirm that a lease dated December 1985 between the Electricity Trust of South Australia and a company called Magilp Limited for the lease of the Northern Power Station at Port Augusta for a 25-year period at a cost overall of $1 600 million has taken effect and explain to the House why the Federal Treasurer is unaware of these deals and advised the House of Representatives a short while ago that he will have them investigated?

The Hon. J.C. BANNON: The Federal Treasurer may be unaware of the details of these matters because there are many such matters that pass through the Loan Council's considerations constantly. I simply refer the honourable member to my statement. These transactions are, in fact, reported in the appropriate way. I am quite happy for the Federal Treasurer to undertake any investigation that he likes because there is no problem.

BUS LANES

Mr GREGORY: Will the Minister of Transport take the necessary action to have the bus lane between the junction of Hampstead Road and North East Road and Nottage Terrace changed to a clearway? Since the commencement of the O-Bahn busway North East Road between Sudholz Road and Hampstead Road has been converted to a clearway. Constituents accept the need for a bus lane on North East Road to Sudholz Road, but the busway between Hampstead Road and Nottage Terrace is causing confusion. Since the O-Bahn has been operating, the use of that bus lane has been markedly reduced and constituents advise me that it is causing considerable confusion as they drive down North East Road.

The Hon. G.F. KENEALLY: I thank the honourable member for his question. I acknowledge that there has been some concern among his constituents, and other road users, about these bus lanes. However, I think I am able to give the honourable member the advice that he seeks. Through the interdepartmental bus operations group, the State Transport Authority advised the Highways Department that, following the introduction of the North East busway, the number of buses operating on the North East Road west of Sudholz Road has been reduced and that the 'bus only' lanes were no longer required. This is what the honourable member pointed out in his explanation.

Consequently, the lanes between Sudholz Road and Hampstead Road were abandoned and clearway conditions introduced in peak traffic hours. The 'bus only' lanes on the city side of Hampstead Road were retained at that time to cater for bus services between Hampstead Road and the city. However, it has since been agreed with the STA that these lanes could also be abandoned and replaced with clearway conditions. Arrangements are currently in hand to delete the line marking for the 'bus only' lanes, to erect appropriate signs and undertake line marking associated with the proposed clearway conditions. This work is scheduled to be undertaken in the near future. I thank the honourable member for his question, and I am sure that the work that he and his constituents are seeking will have been completed in the very near future.

ETSA FINANCING ARRANGEMENTS

The Hon. E.R. GOLDSWORTHY: Can the Premier say whether the Port Augusta lease agreement has yet taken effect; when the Torrens Island agreement will take effect; and what exchange rate risks are involved in these leases?

Members interjecting:

The SPEAKER: Order! The question is being directed to the Premier.

The Hon. E.R. GOLDSWORTHY: The Premier has indicated publicly that overseas interests (Japanese and Austrian interests have been named) have entered into these arrangements and that there are financial benefits to both parties. Therefore, I ask the second part of my question.

The Hon. J.C. BANNON: The answer to that second part is that there is no foreign exchange risk. Indeed, in this respect ETSA lines up with the South Australian Government Financing Authority, which also undertakes its overseas operations without foreign exchange risk under my specific directions. In doing so, I would point out that we are in a different situation from some other authorities which actually have had some major losses in this area. Hedging is not the only means by which one is protected from foreign currency exposure.

Secondly, in relation to the question concerning the transaction with the Torrens Island power station, that has not been concluded, and I am not in a position to say when it will be. However, all the mechanics are in place. I cannot at this time provide the precise date in relation to the other transaction, but I am happy to do so.

INDUSTRIAL RELATIONS POLICY

Ms GAYLER: Can the Minister of Labour say what the effects of the Liberal Party's industrial policy of opting out would be on women in the work force and whether he believes that this policy is supported by employers in South Australia? I have been approached by a number of constituents who work as shop assistants in retail outlets in my electorate. They have expressed concern at the prospect of being put in a position where they have to individually negotiate pay and working conditions with their employers. My constituents fear that such a situation would result in their being forced to accept lower pay and poorer working conditions.

The Hon. FRANK BLEVINS: I thank the member for her question. In a word, the answer is 'disastrous'. That would be the effect of the Liberal Party's industrial relations policies on the entire South Australian community but, more particularly, on women in the work force.

Mr Lewis: That's nuts.

The Hon. FRANK BLEVINS: Mr Speaker, the member for Murray-Mallee is very keen to take points of order; he wants the House to be maintained in a state of total decorum. I hope, Sir, so that we do not call him a hypocrite, that he will practise what he preaches and that he will cease to be disorderly. The Liberal Party's industrial relations policy would lead to a disastrous situation because, as everybody knows, for a whole range of reasons, by and large females in the work force are employed in the lower paid and unskilled jobs, jobs with little or no promotion prospects. They work, in the retail industry in particular, in small organisations and small shops. In fact, I think that in the retail area about 70 per cent of the work force comprise women, so it is obvious that, first, they are a significant section of the work force. Secondly, they are a very vulnerable section of the work force.

The Liberal Party's policy virtually excludes them from access to their unions. It says that, in the small organisations, 'We want you to negotiate with your employer direct, without the support of the union.' The policy also says that the workshop or the particular workplace can opt out of the system, and it boasts about it. This is the policy advocated by the Liberal Party.

What about the power relationships in a shop which employs perhaps five shop assistants and the employer says, 'I want you to opt out of the system,' and the employee says, 'No'? We all know what will happen. They will be out of the door. Never mind opting out of the system; they would be opting out of the work force. I think that it is not only quite cruel but also hypocritical to advocate such a policy. I say that because, when a union decides to opt out of the system, as the Plumbers Union has, one hears members of the Liberal Party scream.

Plumbers are saying, 'We want to negotiate direct with the employers,' and the employers, the Liberal Party and everybody else on that side of the political spectrum cry foul. So, there is an element of hypocrisy; they advocate opting out for small, vulnerable and, by and large, ununionised sections of the work force, but the Liberal Party does not advocate opting out for the big powerful unions. It is hypocritical. The interesting part about the policy is that the employers do not support it either. To use a word that the member for Murray-Mallee introduced a moment ago, the employers think that it is nuts. I ask the House to take my word for it.

The *Financial Review* of Friday 6 February last, under the heading 'Deep Chill Settles Over Employer/Liberal Relations', reported that the employers (whether the CAI or the Business Council of Australia) had said that the policy was ridiculous, probably unconstitutional, and certainly not helpful at all to industrial relations in Australia; and that they did not want any part of it.

A major survey by the *Business Review Weekly* in December which involved 220 chief executives of Australia's top companies showed that only about half supported the Liberal proposals for deregulation and opting out. The University of New South Wales major study of 219 top executives indicated that those executives did not want a bar of it; that they want the stability and predictability of the system that the Labor Government has. Not only would it be disastrous to women but I would argue that the policy is also disastrous to relations between the Liberal Party and the employer bodies.

We have a very good, well organised and orderly system of wage fixation in this State, and it is in the interests particularly of lower paid workers that that system remain. I implore everyone involved in industrial relations to realise that and not go off on these right wing—new right or dry, call them what you will—frolics which may have some ideological attraction to members opposite but no relevance to the real world. If these policies were ever implemented it would be a disaster for lower paid workers, both female and male, and the entire Australian economy.

ETSA FINANCING ARRANGEMENTS

The Hon. JENNIFER CASHMORE: Following the Premier's statement, will he advise the House what financial advantages, apart from a fixed rate of return, are available to the interests, whether Australian or overseas, which are providing funds for the Electricity Trust's new financing arrangements; and, if Australian companies are involved in these arrangements (because they offer tax advantages), what effect will this have on Federal tax receipts?

The Hon. J.C. BANNON: The transactions are in accordance with Australian tax law and rulings thereon. I cannot enumerate specifically any advantages to be gained in other jurisdictions, that is, by overseas payers. However, the basic point is that, with the uncertain economic climate we are in and with the volatility of interest rates and other financial indicators, it is in the interests of investors to ensure that at least parts of their portfolios are in long-term interest with firm security and a fixed rate of return—a certainty of return. That is obviously one of the attractions that these transactions have. As I say, the benefit to them is not so relevant as the benefit that accrues to our authorities (in particular, ETSA) which is quite substantial.

EUROPEAN CARP

Mr FERGUSON: Will the Minister of Fisheries inform the House whether his department will allow European carp to remain in the Grange Lakes? European carp is an outlawed fish and is officially described as vermin. The Grange Lakes were originally stocked with European carp by local service clubs in order to control mosquito larvae in the lakes. In this endeavour they have been extremely successful and the number of mosquitoes breeding in the Grange Lakes has been drastically reduced. In addition, European carp have attracted fishermen to the Grange Lakes with the added attraction of providing a leisure-time activity.

The Hon. M.K. MAYES: I thank the honourable member for his interest in this matter. The European carp, as a feral or exotic fish in South Australia, is of great concern to the Fisheries Department and the impact of such a fish on the local environment with our unique fish fauna can be devastating. The department will not be eradicating the carp from the Grange Lakes, primarily because it is unable to do so. Such an eradication program cannot be contemplated and it is impossible to achieve such a program that would be best suited to our local environment.

I assume that the honourable member is concerned about the recreational aspects for sport fishing purposes, and I suppose that it would be of interest to many of his constituents who partake in a recreational area. The European carp will not be eradicated, but it is of concern to the Fisheries Department. The matter is also of concern to me as Minister, and that is why we as South Australians lead Australian regulations aimed at containing exotic fish, fish farming and fish diseases so that we see our natural environs and our natural fish population, our industries and our recreational industries supported from those natural environments rather than the exotic fish such as European carp.

ETSA FINANCING ARRANGEMENTS

The Hon. B.C. EASTICK: Will the Premier say whether overseas interests are involved in the leasing arrangements for the Torrens Island and northern power stations which also involve the Australian companies Lashkar Limited and Magilp Limited? Can the Premier now say who these overseas interests are and will he explain the nature of their association with the Australian companies?

The Hon. J.C. BANNON: In the case of the Torrens Island transaction that I described in my ministerial statement, while overseas the investors domicile is Australia, interests are involved in some of the other transactions. I refer the honourable member to my statement concerning commercial confidentiality in respect of the rest of his question.

PRICES

Mr HAMILTON: Will the Minister of Education ask the Minister of Consumer Affairs to investigate the possibility of introducing the Western Australian price check system into this State? A recent edition of a Western Australian newspaper contained the following full-page advertisement that had been placed by the Department of Consumer Affairs:

Every fortnight Price Check will be surveying up to 300 supermarkets in the metropolitan and country areas of Western Australia. Surveyors check the prices of a basket of about 50 items used by a typical family. The prices have been weighted statistically by the Department of Consumer Affairs to reflect an item's relative importance to other items in the basket. The results from each survey are being published to give consumers a guide to grocery values and the cheapest stores.

The advertisement continues:

A list of specials on its own doesn't necessarily lead you to the best deal.

That is perhaps amply demonstrated by what is contained in this afternoon's tabloid. The advertisement continues:

Price Check will not be based on the specials already printed in the paper, but on the cost of a whole shopping list. Supermarkets advertise only their best prices. Price Check will give you the cost of a full shopping basket, including items on special and those that aren't. Although this survey doesn't yet cover our full list of supermarkets, it still shows a difference of almost $12 between the cheapest and the dearest.

The article also points out that the unit has a Price Check access line and states:

If you have any complaints regarding grocery prices or seek further information, please call the access line.

The Hon. G.J. CRAFTER: I thank the honourable member for his question. I will most certainly pass it on to the Minister of Consumer Affairs for his attention.

ETSA FINANCING ARRANGEMENTS

Mr S.J. BAKER: Why does the Premier continue to hide behind the cloak of confidentiality—

The SPEAKER: Order! Normally the Chair does not withdraw leave because of comment until an honourable member has got into his explanation, but the honourable member had so much debate in the actual opening phrase that I suggest that, if he is working from a written question, he should perhaps try to reword it and bring it up to the Chair to see if we can come up with an acceptable formula, and I will give him the next call.

Members interjecting:

The SPEAKER: Order! Alternatively, if the honourable member is prepared to proceed *ad lib* and not use his prepared question, and if he can conform with Standing Orders, he can ask his question now.

Mr S.J. BAKER: Why has the Premier continued to make remarks about commercial confidentiality in answering questions about ETSA's new financing arrangements when the lease agreements signed by the Electricity Trust specifically provide for information to be disclosed to the Parliament? In refusing to reveal full details of those arrangements, last Thursday the Premier said:

I will undertake to consult with our legal and commercial advisers and provide what information is appropriate for reasons of commerciality.

However, the leases between the Electricity Trust and Lashkar and Magilp provide that information can be disclosed to Parliament, and here I refer to clause 11.6 *(f)* of both leases, which makes Parliament an exception to the general proviso of the leases that information shall not be disclosed except with the agreement of all parties. In other words, that is the one proviso, that the Parliament can be informed. An article in last Friday's *News* indicated that trade union opposition to these arrangements rather than commmercial confidentiality is the real reason for the Premier's reluctance to come clean with all the relevant information.

The SPEAKER: Order! That last remark was comment. The honourable Premier.

The Hon. J.C. BANNON: The last remark began to shed a little light on why the Opposition is pursuing it in this way. At last I think we are getting to the bottom of it. The Opposition believes that somehow it is going to stir up some sort of trade union opposition or concern about this matter. In other words, Opposition members are involved in some sort of mischief making exercise. That is certainly one interpretation. I warn Opposition members, though, that they are playing around with the State's finances and with many millions of dollars of public benefits, and if problems arise—

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: —because of it, they will be held accountable. In relation to the question, I have provided information and indeed have tabled the lease document before this House. Members opposite ask why certain things are commercially confidential. The answer is because they are, and anyone who had any skerrick of knowledge of the commercial scene would know that what I am saying is correct. The Opposition has demonstrated gross ignorance in this matter, and the interesting thing about it is that as long ago as 10 October last year I wrote to the Leader of the Opposition offering to him a full briefing in relation to SAFA on the activities and the financing so that he could better understand it, because his questions in the Estimates Committees indicated an enormous ignorance of it. I was worried about that because of the damage it might do to the State's standing.

I wrote to the Leader offering that briefing and also suggesting that any number of his colleagues who were interested could be involved as well. I asked if he would let us know, but I understand there has been no response. I suggest that this would be very useful indeed to the Opposition. While I now begin to understand the hidden agenda, which is somewhat different from what we have been led to believe over the past few days, it is clear that it is on the basis of ignorance, and that ignorance is very dangerous indeed.

FEDERAL LIBERAL HOUSING POLICY

Mr DUIGAN: Will the Minister of Housing and Construction advise the House what effect there would be on South Australia if the option of nominating Loan Council borrowings for public housing was denied to the States? In its recently announced housing policy the Federal Liberal Opposition said it would, if elected, terminate the arrangement whereby the States can nominate a portion of their Loan Council borrowings for public housing. However, over the past four years this option has been used to the fullest by the Government to help expand South Australia's public housing stock and maintain the building industry. I would appreciate the Minister's advising the House of the impact of the sudden withdrawal of this large source of funds on South Australia's building industry.

The Hon. T.H. HEMMINGS: I thank the honourable member for his question and I am only too pleased to outline to the House and, perhaps more importantly, to the people of South Australia and the building industry the catastrophic effects of a Liberal Government in Canberra,

with the subsequent withdrawal of nominated funds for public sector housing.

Mr Olsen interjecting:

The Hon. T.H. HEMMINGS: The Leader interjects that I talked about the Federal Liberal Party's housing policy yesterday. I intend, for as long as I am able to stand up here and inform the House on various segments of the Federal Liberal Party's disastrous housing policy, to dissect it clause by clause and let the people of South Australia know exactly what it means.

When one looks at nominated funds, the Bannon Government has made unique use of such funds. In our first year of office we nominated 100 per cent of Loan Council borrowings for public housing. That was unprecedented. We have done it in every subsequent year. We have gained, over the four years we have been in office, $495.7 million of these funds. In using that money we have built 10 000 homes and employed 27 260 people—all at 4.5 per cent, repayable over 53 years. That is over and above the $280 million we received in that time under the traditional CSHA funding. Last year I made a considerable amount of noise when, as a result of the Hawke Government's policy, we lost $30 million through nominated funds, despite being successful in receiving 100 per cent. However, the figure was $30 million down. Instead of building 3 100 homes we could fund only 2 900. That did not seem to worry the Opposition.

I thought that the member for Hanson would have joined with me in criticising the Hawke Labor Government, as that was one area in which we would have been in agreement. Let us look at the potential disaster if the Liberal Party policy was implemented and completely wiped out nomination of Loan Council borrowings for public housing.

Mr Becker: That's hypothetical.

The Hon. T.H. HEMMINGS: The member for Hanson says that it is all hypothetical. That is the first public admission I have heard from the Liberal Party that it has Buckley's chance of winning the next Federal election. I congratulate the member for Hanson, as it is the first time that I have known him to make a reasonably intelligent statement and assessment of the political situation in this country. If there were to be a reduction of nominated funds so that that kind of money was no longer available to this State, the building industry would take a nosedive from which it would never recover.

I urge the Leader of the Opposition and his spokesman to speak to their Federal Liberal counterparts and to Julian Beale, who does not seem to realise what he has put out as policy. That policy decision should be reversed. I am not happy for the member for Hanson to say that his Party will not win the Federal election. I am quite encouraged that he is saying that, but I am not happy and will not be content with that. I would like the honourable member to write to his Federal colleague, putting the case for South Australia—how we use nominated funds to the advantage of people within the public sector—and asking him to change his mind.

EXOTIC FISH

The Hon. P.B. ARNOLD: Will the Minister of Fisheries say why an officer of the Department of Fisheries, Mr B. Hemming, on 24 February seized three species of exotic fish numbering 14 in all from Mr A. Millar and why they were returned the next day by another officer, Mr D. McGlennon, if they were illegal species?

The Hon. M.K. MAYES: I am not aware of the incident to which the honourable member has referred, but I will certainly obtain a full report and make it available as soon as possible.

MOTOR VEHICLE RUST

Mr M.J. EVANS: I direct a question to the Minister of Education, representing the Minister of Consumer Affairs in another place. Will the Minister of Consumer Affairs investigate the possible introduction through negotiation with motor vehicle manufacturers and distributors of extended warranties against rust in new and used vehicles? In the event that negotiations fail, will the Minister consider introducing the necessary legislation to achieve this objective? According to recent reports in the consumer magazine *Choice*, Australian motor vehicles typically carry only a 12-month warranty against body rust whereas in many other countries, particularly in Europe and the United States, the warranty period is six years or more.

The article states that Ford Australia offers a one year or 20 000 kilometre statutory warranty whereas that same company in Canada, Sweden and the United States offers a warranty of up to six years. Mazda offers a one year warranty on imported vehicles, but in Canada the warranty is three years and in Sweden and the United Kingdom it is six years. As reported in *Choice*, rust in motor vehicles not only costs the consumer of motor vehicles a great deal to repair but also represents a significant threat to road safety given the lightweight construction of many modern cars. However, Australian weather conditions are clearly more favourable than those prevailing in Europe and in the United States, where much longer warranties are available. Expert opinion is that in countries like Australia consumers should enjoy substantial rust protection warranties even in excess of those presently offered overseas.

The Hon. G.J. CRAFTER: I thank the honourable member for raising this matter. I am aware of the report to which he refers. This is a very real problem for many owners of motor vehicles not only in South Australia but also throughout Australia. I will refer to the Minister of Consumer Affairs for his consideration the information that the honourable member has provided to the House today.

GOLDEN DODDER

Mr D.S. BAKER: Will the Minister of Agriculture say whether the Department of Agriculture has paid compensation to the landholders in the Bordertown area who lost hundreds of thousands of dollars of income as a result of the department's wrongfully identifying the dangerous noxious weed golden dodder in samples of seed being tested for certification and, if it has not, why not?

The Hon. M.K. MAYES: I understand that discussions are still continuing between the department and the people concerned. I would be happy to furnish a full report to the honourable member on the extent, detail and progress of those discussions when I have been provided with a final report from the department.

CARERS

Ms LENEHAN: I direct a question to the Minister of Education, representing the Minister of Community Welfare in another place. Will the Minister of Community Welfare provide the House with the following information: first, the number of full-time carers in South Australia who presently

look after a chronically ill or totally dependent relative; secondly, what services, facilities and support, including respite time, are provided to these carers; thirdly, what statistical base is used to provide services to carers?

I was approached early this week by a constituent who is a full-time carer of her chronically ill spouse. My constituent, in outlining her situation, suggested that she was representative of a significant number of carers who are statistically invisible as in many cases they do not receive remuneration in the form of pensions or benefits and thus are not readily identifiable. I also understand that there was no specific question in the last census to identify this group of people in the community.

My constituent pointed out to me quite strongly that she did not want in any way to be critical of the services provided through the Home and Community Care program or through domiciliary care, which is a State funded organisation. However, she pointed out to me the following relevant information: carers are generally women; because of their caring role they cannot participate in the community; they are also advocates, coordinators, nurses, caterers and home maintenance people; they are responsible for the total emotional welfare of the patient; they lose family and friends; they are socially isolated; and they are severely financially disadvantaged. My question could be summed up in one line: who cares for the carers?

The Hon. G.J. CRAFTER: I thank the honourable member for her question. I think that a detailed response from my colleague in another place will reveal that, in fact, many people do care for the carers in our community, although it is impossible always to provide for the total needs of any given group of that type. However, there are both Commonwealth and State forms of assistance available and a number of organisations—for example, the Intellectually Disabled Services Council, CAFHS and the many schemes that are now emanating from the Home and Community Care program—which aim to give that help and assistance to those who care for others at home. I will ask my colleague to provide full details for the honourable member and her constituent.

HANDICAPPED PERSONS

Mr S.G. EVANS: Will the Deputy Premier consider exempting handicapped people and pensioners from the proposed charge for motor vehicles entering parks in close proximity to the city? I have been approached by some handicapped people who have said that they would find it difficult to enter a park without paying the fee when pedestrians who do not have a physical disability could walk into a park after catching a train or STA bus.

The Hon. D.J. HOPGOOD: As most handicapped people are likely to be pensioners, they are covered, in that currently persons who are in receipt of a pension and entering the parks in their own vehicles would be admitted at half price. If a person is incapable of driving a vehicle, then there is no charge to them because it is assumed that the person who is driving the vehicle and who would normally be expected to be a wage earner would pay the $2. I make—

Mr S.G. Evans: What about the handicapped person?

The Hon. D.J. HOPGOOD: I will come to that in a moment. I make the point that the admission charge is on the vehicle and not on individuals who may seek to enter the park in some other way. The only remaining area where I have not satisfied the honourable member is in relation to handicapped people who are not pensioners—that is, in receipt of a wage of one sort or another. I will take advice on that and report back to the honourable member and the House.

PRODUCT MANUFACTURE

Mr De LAINE: Can the Minister of State Development and Technology outline to the House the measures being taken by the State Government and, in particular, by organisations like the South Australian Industrial Supplies Office to encourage local South Australian manufacturers to become involved in producing products which at present are only imported into this country?

The Hon. LYNN ARNOLD: I thank the honourable member for his question. Certainly, a number of initiatives have been taken by this Government to encourage South Australian manufacturers to become involved in producing goods which are being imported into this country. The ISO, to which the honourable member referred in his question, is one clear example of that. The Industrial Supplies Office, which operates under the auspices of the Manufacturing Advisory Council, a tripartite body of Government, unions and employers, has involved a most successful project that has been undertaken in conjunction with the Engineering Employers Association of South Australia. In its first year of operation that body had 300 projects brought to its attention. Of those 300, 100 were able to see contracts directed in favour of Australian manufacturers, a further 90 are under investigation, and it was not possible at the time to find Australian manufacturers for the remainder. In relation to about 20 of them, there was no Australian manufacturer of the product in question. As to the others, the goods may have been manufactured by Australian producers, but the nature or capacity was not quite that required by the contract in hand.

Translated into dollar terms, that has generated $67 million worth of business in the first year. By commonly accepted standards, that has seen the creation or the maintenance of 2 500 jobs. I say 'creation or the maintenance', because jobs that are not sustained by new contracts coming in could well be lost and, therefore, we need to try to prevent that happening. The standard accepted ratio is that, for every $1 million saved on imports, 35 to 45 jobs are created. The ISO will continue that kind of work in the future, and this Government has given a commitment that it will support it in years to come.

In addition, the ISO is moving into other areas, such as having discussions with the United Nations Children's Fund (UNICEF) to determine ways in which certain requirements they have can be directed towards Australian manufacturers. At this stage discussions are under way relating to contracts worth about $39 million, particularly in such areas as syringes which could be produced in South Australia for overseas use, but other things are also worth noting.

First, the South Australian Government has entered into the National Preference Agreement. Indeed, South Australia and Victoria were the first two States to promote this concept and, among other things, while it tries to remove barriers to trade between States, it also supports a preference for Australian manufacturing industry against overseas manufacturing industry.

Secondly, there is the Australian Offsets Agreement, and the Department of State Development and Technology, at the request of the Government, is negotiating with the Federal Government to determine how we can maximise our opportunities under offsets agreements whereby we encourage overseas suppliers to reinvest heavily in local manufacturing. Thirdly, the new State supply legislation was

passed in 1985. One aim of that legislation was to ensure that the vast purchasing power of the South Australian public sector is used, as appropriate, to provide maximum opportunities for local manufacturers and, indeed, the very writing of tender specifications requires that they be open to Australian manufacturers. In addition, it is required also that, where a contract proposed for acceptance has less Australian content than another contract that had been received for a particular tender, some explanation must be given as to why that is so.

This Government is doing a number of other things to support manufacturing, and that has been detailed on other occasions. I am happy to provide the honourable member with details as further developments take place. That includes the Centre for Manufacturing, the South Australian Development Fund and the ample support that it gives to industry restructuring, technology innovation, and the like. Other projects have important relevance to matters such as this, and I refer to the submarine project and the work that we have done in submitting for that. I refer also to the National Tooling Centre proposal. I believe it is quite appropriate for the public sector to be actively involved in programs such as this, and I assure members that I, as Minister of State Development and Technology, will ensure that we examine all possible prospects to ensure reasonable support for South Australian and Australian manufacturing industries.

RURAL ASSISTANCE

Mr BLACKER: Can the Minister of Agriculture outline any benefits that he believes South Australian farmers could receive as a result of his recent negotiations with Ministers of Agriculture from other States and with the Federal Minister for Primary Industry? Also, will he advise whether the suggestion of a crop planting scheme is still being assessed for South Australia and, if so, whether any guidelines for eligibility have been agreed on?

The Hon. M.K. MAYES: I thank the honourable member for that question. There has been interest in the press and the community at large, both here and nationally, in this matter. Last Friday's Melbourne meeting of Ministers responsible for rural assistance was of some significance. I could probably take the remaining 15 minutes of Question Time to inform the House of the detail that came out of those discussions, but I will not do that. The situation can be broadly dealt with at four levels. With regard to the overall rural assistance package, the States put forward a claim for additional funds in order to meet their needs. The Federal Minister indicated that he would take that back to his Cabinet colleagues; and that he understood and sympathised with our position.

Hinging on that, I believe, is the opportunity to provide a more flexible scheme in that, if we look at lifting the limits for real debt reconstruction or for farm build-up programs, we need to have additional funds available at our fingertips so that we do not exclude some people by increasing the limit for others. That made up the major part of the discussions between the Minister responsible for rural assistance.

Secondly, there is to be a major review of the rural assistance package. There was some debate amongst Ministers as to how that would be done. We took the view that it should be done by an independent consultant and that a management committee should oversee the brief and manage the two phases. The Commonwealth will play a major part in managing that review and Western Australia has accepted the responsibility of being the States' representative on that management committee.

With regard to the risk package that is currently offered by the Commonwealth, at the moment we have a seven year guarantee on interest rate subsidies or debt reconstruction loans. We believe that that undermines this State's excellent record in debt reconstruction. I can indicate that most States are envious of the way in which we have projected ourselves with debt reconstruction and not gone into interest rate subsidy, as most other States have done. For a number of very good reasons I think that that supports the rural community as well as provides a better facility, from the Government's point of view, in managing debt reconstruction and offering better opportunities to farmers who seek debt reconstruction.

We sought an extension of the seven year risk coverage to 15 years. Part B of the scheme currently deals with that, and it is of interest to States such as Queensland probably more than it is to South Australia, because we are more involved in debt reconstruction. It supported our request to the Commonwealth for the extension to 15 years. So, in effect, if we stay with the seven years the State picks up the risk for any of those losses and the Commonwealth has no responsibility past that seven year period.

We believe that that is a shortcoming of the scheme. It is forcing the other States (and it would force us in the long term) to go more away from debt reconstruction into a program of interest rate subsidy which, I believe, would be of detriment to the financial package that we can offer the rural community. Again, I think that that is supported by most of the other State Ministers as well.

I can say that the Federal Minister saw a lot of logic in what we were putting forward and understood the situation. I suppose he must go back and argue with his Cabinet colleagues, Treasury and finance officials about the Commonwealth's capacity to extend to that 15 year coverage.

In relation to the issue of household assistance (I am talking now of the package, as I will get to the crop planting scheme that the honourable member asked me about last week), we had an opportunity to discuss with the Commonwealth some of the shortcomings that we saw—and I believe that there are shortcomings. The Commonwealth is reviewing the package and will look at perhaps an upfront grant rather than having an ongoing liability which is built in as part of household support.

At this point it would be fair to say that we differed on what we sought. We sought the greatest package of flexibility, that is, household assistance with an upfront grant so that, for example, if a farmer decided that he wished to phase out farming over a two or three year period he could do it and still receive an upfront grant on the day that he decided to leave. The Commonwealth said that that was probably the most expensive package which, in essence, it could be. It accepted what we put forward and, I think, saw problems with the household support arrangements. I think that we will have some configuration of that household support with an up-front grant coming from the Commonwealth in the next few weeks. I look forward to getting a reply from the Federal Minister.

Regarding the crop planting scheme, from the evidence put forward Victoria is the only State that has ventured into it. I said last week that Victoria had been in it for two years, but I now find that in effect it has been in it for only one year. It is getting out of the scheme fast because it has found that, when it intervened in the land market to support land prices in parts of the Victorian Mallee region, it was only partially successful and the scheme has been found to have detrimental effects. I understand that people have

become further committed beyond their means, indeed more committed in debt than they were when they first went into the crop planting scheme.

We have not completely scrubbed the scheme (if I could use that phrase), but it is certainly not as attractive as some people who have been advocating it seem to believe that it is. It is probably a short term measure to be used in specific circumstances in a specific region. We are still looking at it, but I am not as confident as I was last week about the long term benefits of that scheme. In as much time as I have taken this afternoon I have given a potted response on what happened last week and have summarised the main points.

WETLANDS

Mr ROBERTSON: Will the Minister for Environment and Planning say what steps have been taken to safeguard the viability of existing wetlands in South Australia and to secure other wetlands for addition to the network of conservation parks and game reserves?

The Hon. D.J. HOPGOOD: This is a topic about which I am enthusiastic indeed. One of the things that received less comment than other aspects of the Native Vegetation Management Act when it was passed was that it gave the Government formal planning control over the drainage of wetlands. The fact that that was not more controversial than it was might have been because few people are interested these days in the further drainage of wetland areas. However, that is no reason for the State's not being vigilant in this area and trying to ensure that, where wetlands are of special ecological significance, they should be subsumed under either that Act or the National Parks and Wildlife Act.

The honourable member would be aware of the declaration of the Dalhousie Mound Springs in the northern part of the State and the Poocher Swamp, Butchers and Salt Lakes in the South-East. In addition, there is the Murray Valley management review.

A comprehensive inventory has now been prepared not only in respect of the wetlands along the River Murray in this State but also in the upstream States. A series of recommendations from the South-Eastern Wetlands Committee are currently being acted on, including a major study of the wetlands of the Bakers Range and Marcollat watercourses; consideration of the formation of a Lake Bonney Management Committee; the consideration of drainage and flooding problems in the Bordertown and Duck Island watercourses; and the holding of discussions with relevant landowners about putting aside some of these areas under voluntary heritage agreements.

The Government is also concerned about wetland areas in some of the mound springs of northern South Australia, as well as Cooper Creek and the Coongie Lakes area, where the famous Mr Dick Smith has made available $50 000 to enable to Government to employ someone full-time for 12 months to compile an inventory of that fragile ecology. Some of the South Australian estuaries also require much attention and they are beginning to get it. We have now developed a good base line for future management of what after all in a dry State are fairly slender wetland resources, and I thank the honourable member for his interest in this subject.

RURAL CRISIS

Mr GUNN: In view of the deteriorating financial situation on Eyre Peninsuala and in other parts of the State and the consequent effect on the farming community and small businesses in country towns, has the Minister of Agriculture convened a conference of those financial institutions that are providing credit to these people who are in difficulties? If he has not done so, why not? Some days ago the Leader of the Opposition raised this matter in the House when referring to the serious problem facing South Australia. I now draw to the Minister's attention information that I have been given over the past few days from which it appears that 13 farms, covering 23 000 hectares, on central Eyre Peninsula may be abandoned. That is the figure today, but it could grow. Therefore, in order to satisfy the need for urgent action, I ask the Minister to bring all these financial groups together so that the best possible arrangements can be made to allow as many of these people as possible to continue to farm their properties.

The Hon. M.K. MAYES: The answer to the honourable member's question is 'Yes', and I shall be happy to elaborate on that. Representatives of the banks met with the Director and the Deputy Director a week ago to discuss the overall situation of Eyre Peninsula farmers, as well as the general aspect of farm indebtedness in the Mid-North and the South-East. Ongoing discussions have been held with the banks about their approach to this issue. The officers of the banks and the financial institutions (because they represent those institutions with both hats on) have made it apparent that they are taking a sensitive view and are now much better placed with information than they were when we met with the United Farmers and Stockowners just under nine months ago to discuss this issue and any possible problems which we expected would occur this year, and that unfortunately proved to be correct.

While the State Bank of South Australia officers were touring the West Coast two weeks ago, I had discussions with some of the senior finance officers of that bank and, as the honourable member would know, they are dealing with an area that relates to dealings with the old State Bank. Similarly, the ANZ Bank has an area that relates to the old Bank of Adelaide region. They say that about 150 farmers are in a crisis situation. We are keeping in constant contact with the banks through our Rural Assistance Branch and, as regards any developments that occur, we have been asked to be fully informed prior to any decision being taken and we have asked the banks to withhold any foreclosures until we can meet with them to discuss alternatives to the ultimate because, as I told the managers earlier, it is neither in their interests nor in the State's interests that they should foreclose.

DRIVING LICENCES

Ms GAYLER: Can the Minister of Transport assure the House that, when considering any curfew on night time driving by 16 and 17 year olds, Cabinet will seriously consider the needs of this group to travel at night to adult education centres, evening jobs, and sporting commitments? I have been approached by one of my constituents who is concerned about the proposed ban on driving after 9 p.m. My constituent's son needs to travel across town from Magill College of Advanced Education and on other occasions home from evening sport.

The Hon. G.F. KENEALLY: I thank the honourable member for her question. It should be made clear at the outset that there is no proposition before Cabinet at this stage. A discussion paper prepared by an officer of the Road Safety Division has been sent out for public comment. The Federal and State Ministers at ATAC recently agreed that there should be introduced throughout Australia a graduated

licence scheme, and this is the first of the schemes that has been provided for public input. The components of any graduated licence scheme are still much open to speculation. All I can say at this time is that I am committed to presenting to Cabinet a graduated licence scheme, but the individual components of that scheme have not as yet been determined.

All the studies that have been done on a graduated licence scheme such as is operating in the United States, New Zealand and elsewhere, suggest that certain people, such as nurses, apprentices, school students, people involved in sporting activities, and those living on the land, would need an exemption from any graduated licence scheme that might be contemplated. Secondly, 9 a.m. to 5 p.m. is not necessarily the appropriate time for any scheme to apply. It could be any combination of hours at all. So, all of the matters that the honourable member has mentioned will certainly be considered in any submission that I present to Cabinet.

I make that one point clear again: there is no proposition before Cabinet. It is a submission for which I, as Minister, have responsibility. It has been sent out for public comment. When that comment has been made and I am able to assess the various views of the accountable organisations—the Road Safety Advisory Council, the RAA, Motor Traders, youth groups and the community generally—I will then make a submission to Cabinet about the appropriate form that any graduated licence scheme should take, and I hope it can be completed as early as possible.

MINISTERIAL STATEMENT: TROTTING INDUSTRY ALLEGATIONS

The Hon. M.K. MAYES (Minister of Recreation and Sport): I seek leave to make a statement.

Leave granted.

The Hon. M.K. MAYES: On 2 March 1987 an article in the *Advertiser* attributed serious allegations over the trotting industry in South Australia to the member for Bragg. These included claims of corruption and graft, a rotten smell within the industry, race-rigging and a blatant cover-up. On 10 March 1987 the member for Bragg went further in this House when he claimed that, in addition to the allegations in the 2 March *Advertiser*, there was 'further evidence of serious malpractice by the Trotting Control Board in South Australia'. The member for Bragg named two members of the Trotting Control Board whom he claimed went to his office and threatened to finish him once and for all—in a political sense. He also talked of an anonymous telephone caller who threatened to fit him with concrete shoes.

One of the most serious allegations made by him was that the Acting Minister of Recreation and Sport (Mr Payne) may have actively participated in a cover-up. It is not my intention today to defend the trotting industry or individuals connected with it. Instead, I will provide the House with information contained in a report from the Trotting Control Board based on the allegations made by the member for Bragg. However, I must point out most emphatically that the member has made all his most serious allegations within this House under privilege.

I make the following points based on information supplied to me by the Trotting Control Board and in answer to allegations made by the member for Bragg in this House on 10 March 1987:

1. Contrary to the member's claims, the Chief Steward is never under a requirement to attend board or committee meetings unless he is specifically required by the board to do so. The Chairman of Stewards was not on duty at Globe Derby Park on the day in question; he was in the Supreme Court as a witness. Board member Mr. Rehn was not at Globe Derby Park on the day of the board meeting, but was on his farm 500 kilometres from Adelaide.

2. Mr Ingerson stated that at the committee meeting held on 1 July 1986 there was 'no evidence to consider'. This allegation is untrue.

(a) The committee was totally aware of the Victorian case and that the analysis of the split sample in that case did not reveal the presence of the drug dexamethasone.

(b) Mr Jones (the SA BOTRA representative on the board) on the Saturday night prior to 1 July became aware that the split sample taken from the horse Columbia Wealth had been tested and found negative. On the following Monday, Mr Jones asked the General Manager to contact the Chairman to call a committee meeting to discuss the swabs involving the Victorian case, Columbia Wealth and Batik Print. The meeting was convened for 10 a.m. on Tuesday 1 July 1986.

(c) Prior to the meeting commencing, the General Manager telephoned Dr Batty, of the Institute of Drug Technology Pty Ltd, in Melbourne. Dr Batty confirmed that the testing of the split sample taken from Columbia Wealth did not reveal the presence of the drug dexamethasone.

(d) The committee was aware, following discussions between the General Manager and Dr Batty, that the split sample taken from Batik Print was defrosted on Monday 30 June in preparation for analysis. The independent analyst appointed to represent Batik Print's trainer, R. Mickan, was unable to be present on that day. Mr F. Galbally QC (Mickan's counsel) had arranged for a stay of time until the following Monday. This meant the split sample had to be frozen a second time. Concern was expressed that Mickan's split sample was showing signs of dissipating and the possibility of being positive remote.

(e) The committee had before it the relevant factors of the Batik Print case. Details of all swabbing are kept in the board's office under tight security. It also had full knowledge of the Victorian case (Demmler), the Columbia Wealth case (Justice) and considered their circumstances which resulted in negative findings of the split samples. It also pondered on the extraordinary similarities of the Victorian case, Columbia Wealth case, Batik Print case, each within literally days of each other returning a positive to dexamethasone; the committee being fully aware that never before in South Australia had this drug been detected (nor has dexamethasone been detected since in either South Australia or Victoria by the AJC or IDT). At the precise time the board was under threat of legal action from Galbally QC acting for Mickan, the trainer of Batik Print.

(f) It follows that either an error was made in the first testing of the above cases or the effluxion of time (Victorian case 40 days: Columbia Wealth 46 days: Batik Print 44 days) dissipated the drug, if such drug existed in split samples. In the circumstances, and considering the extension forced by Galbally QC, an area of doubt as to the pending outcome of the protracted testing of the split sample existed in the minds of the committee. It was decided that in these circumstan-

ces the benefit of the doubt must be given to the accused. (It should be noted that the Victorian Harness Racing Board dismissed all charges against Demmler (Victorian case)).

3. The statement '. . . the discovery raises further far-reaching questions about the lengthy delays approved by the Trotting Control Board for second swab analysis in both the Batik Print case and another involving Columbia Wealth . . .' shows a complete misunderstanding by Mr Ingerson of what happens when swabs are analysed. At no time did the board approve the 'lengthy delays'. These two cases were the first in South Australia in which split samples were analysed in the presence of an independent analyst and the time taken for this is not within the control of the board. Subsequently the board initiated procedures to ensure there could be no repetition of the delays previously experienced. Victoria has also adopted similar procedures.

4. During the course of the committee meeting it was discovered that, without the prior knowledge of the board, the then Chairman of Stewards had transferred the long-standing swab arrangements from the Australian Jockey Club in Sydney to the public company IDT Pty Ltd in Melbourne. This was addressed at a board meeting on 18 July 1986. The board makes the following statement concerning the swab arrangements:

(a) For many years the Australian Jockey Club had been the official analysts to the South Australian Trotting Industry. They are the analyst for the SAJC.

(b) After dealing with the Columbia Wealth and Batik Print cases the board was concerned that a change of laboratory had been made by the Chairman of Stewards who had transferred the appointment to IDT Pty Ltd. This had never been sanctioned by the board.

(c) The board instructed that the arrangements with IDT Pty Ltd were to be terminated forthwith and the arrangements with the Australian Jockey Club were to be resumed.

(d) The board adopted new procedures in conjunction with the Chairman of Stewards to obviate the difficulties of timing experienced in the Victorian, Columbia Wealth and the Batik Print cases, where delays of over 40 days occurred: a totally unacceptable position.

5. The stewards jointly approached the board concerning the Columbia Wealth and Batik Print decisions of the board and the board interviewed their spokesmen, the Chairman of Stewards and the Deputy Chairman of Stewards, at a meeting on 7 July 1986. The board advised the stewards it would consider their representations and advise them of its response. After full consideration the board prepared a statement it desired to discuss with the stewards who rejoined the board meeting. After input by the stewards a statement was agreed to which the board would adopt and the stewards would accept. The statement was issued as a media release later that day.

6. As to the claim that no minutes of the meeting of 1 July 1986 were kept, I provide the following statement from the board:

The detailed resolutions conveyed by the committee at the meeting of 1 July 1986 were recorded and formed part of the agenda placed before the board on 7 July 1986.

The full board confirmed the resolutions. The minutes of the board meeting of 7 July 1986 state:

The board received the relevant report by the General Manager on the above topic and confirmed the resolutions (1) to (5) as specified on page 47 of the agenda.

This concludes the relevant information contained in the Trotting Control Board report to me. On another matter of alleged race-rigging, the member for Bragg advised two Trotting Control Board members on 3 March that a race was rigged at Gawler. He was asked and agreed to produce the facts within 48 hours. As of the 16 March, the date of the Trotting Control Board report to me, the evidence had not been produced.

I now come to a most serious situation involving the conduct of the member for Bragg. Yesterday I was briefed on this whole matter by the South Australian Police. While I am unable to divulge all of the information given to me because of security reasons, there are a number of relevant points which must be made abundantly clear to this House and to the public of South Australia.

1. The member had spoken to the police about his suspicions of malpractice within the trotting industry on a number of occasions. The police repeatedly urged him to provide them with a written statement detailing his allegations. The member for Bragg has not yet done so, contrary to what he said on radio 5AA last Saturday.

2. The police also informed the member that they would like to investigate his allegations of a death threat by a telephone caller. The member for Bragg has insisted that these investigations not proceed.

3. The police are not investigating so-called widespread corruption, race rigging and drug use within the trotting industry because there is no basis at present on which to do so.

4. I want to make crystal clear that the police are not investigating the Trotting Control Board.

5. The police are investigating the possible existence of etorphine or 'elephant juice' in South Australia in close cooperation with their colleagues in Victoria and Western Australia. The possession and use of this drug is a criminal offence.

The evidence of so-called widespread use of drugs, race rigging and corruption has not materialised. As Minister, I have said before, and I repeat, that the handling of the Batik Print case contained some errors of judgment on the part of the board. However, in view of their report, the overall decision does stand up to scrutiny. This being the case, I call on the member for Bragg once again to substantiate his claims of widespread malpractice within the trotting industry. The charges made by him are extremely serious and cannot be allowed to fade away. They have done a great disservice to an industry that is already facing financial problems. The allegations have also cast grave doubts on, and indeed have been a slur on, everyone connected with the trotting industry. I therefore urge the member for Bragg, even if it is to establish his own *bona fides*, to provide the necessary evidence, if it does exist, to the police and at the stewards inquiry to be conducted tomorrow.

Under our Westminister system of government, this House rightly provides its members with certain privileges. But, they must be used judiciously and with reason. Under our system of justice, everyone is presumed innocent until proved guilty. We cannot afford to flaunt the very basis of our constitution, judicial and social systems. If the member for Bragg cannot uphold these sacred institutions, I believe that he should stand condemned in the eyes of South Australians.

Members interjecting:

The SPEAKER: Order! The member for Bragg.

PERSONAL EXPLANATION: TROTTING INDUSTRY ALLEGATIONS

Mr INGERSON (Bragg): I seek leave to make a personal explanation.

Leave granted.

Mr INGERSON: The Minister's statement contains several remarks on which I would like to make an explanation. The report stated that the board had before it evidence from the Keystone Adios case in Victoria and that the board meeting was on 3 or 4 July—I am not positive of the date. However, what is positive is that the evidence—

Members interjecting:

The SPEAKER: Order! The Minister was heard in silence and the Chair expects the same silence to be extended by courtesy to the member for Bragg.

Mr INGERSON: The document stated that the Victorian case of Demmler was available to the board on that day. The Demmler case transcript was given to the Harness Racing Board in Victoria on 29 July—28 days after the day of this case. I make that clear from the outset.

This morning I had a lengthy meeting with the Police Commissioner and the Assistant Commissioner (Crime), Mr Kevin Harvey, who is responsible for investigations relating to trotting. As a result of that meeting I understand that police investigations are continuing and that this sort of investigation could take up to 12 months before conclusion. That statement was made by Mr Kevin Harvey to me at that meeting.

The detectives to whom I have given the information have recorded it and it is confidential. The Minister would not be aware of that. I was advised that I should continue to give evidence to them as in the past and that it will be investigated as part of a much wider investigation now being considered. That statement was made by Mr Kevin Harvey, the Assistant Commissioner. He made reference to the fact that he was not personally aware of any of the information, as I had given it only to detectives and at this point no prosecutions were imminent.

It is normal practice for all information to be kept confidential and for the Assistant Commissioner not to be aware of it. These investigations are important because, as the Minister of Recreation and Sport said in Parliament last Tuesday, he had 'not said that there are no allegations that have credibility. Obviously incidents have occurred'. The Minister also told the House last Wednesday, in relation to the Trotting Control Board's handling of the two positive swabs, that 'there was an error in judgment on the part of the board. No-one is running away from that'. The Minister of Recreation and Sport made that statement.

When I spoke to the *Advertiser* journalist whose story on 2 March began the latest public debate on the state of the trotting industry, my comments concentrated on the role of the board in the Batik Print affair. The Minister or the Government has not addressed any of the serious allegations that I put forward. I do not resile for one moment from raising the matter in Parliament or with the police. If the Government had been prepared to take positive action when the matter was first raised in July last year it may not have been necessary to bring it before the Parliament now. Until it seriously addresses the questions involved, the Opposition and many people in the trotting industry—

The SPEAKER: Order! The Chair has shown a great deal of tolerance towards the content of the remarks made by the member for Bragg. However, I remind him that a personal explanation must deal with rectifying, from his viewpoint, those matters on which he believes he has been misrepresented. No matter how strong the temptation may be to do otherwise, the honourable member must resist entering into a debate in mere response to the statement by the Minister. The member for Bragg.

Mr INGERSON: At no stage within this Parliament or publicly have I said that there was widespread malpractice within the industry. My public statements—

Members interjecting:

The SPEAKER: Order! The member for Bragg will resume his seat. The honourable member's time has expired. However, he may seek leave to continue his personal explanation.

Mr INGERSON: I seek leave to continue my personal explanation.

Leave granted.

Mr INGERSON: In no public statement have I alleged that there was widespread malpractice within the industry.

Members interjecting:

The SPEAKER: Order! The member for Albert Park and the Deputy Leader of the Opposition are completely out of order in disrupting the personal explanation of the member for Bragg, which he is endeavouring to make under difficult circumstances.

Mr INGERSON: I made a public statement in relation to the Batik Print affair which I documented in Parliament. I made a public statement on the swabbing techniques and the procedures relating to that, and I also made a public statement in this place about a threat in which two members of the board came to my office after making an appointment to do so. The Minister in his statement alleges that I have refused to ask the police to investigate the threat matter. That is quite incorrect. I have advised the police that I took very seriously both matters as they related to the visit to my office and the matter that occured on the telephone at my home. I told the police that, as I had no evidence of who rang me at home, I wished purely and simply to have it documented that I had received that threat. That is on the record with the police.

PERSONAL EXPLANATION: AUDITOR-GENERAL

The Hon. B.C. EASTICK (Light): I seek leave to make a personal explanation.

Leave granted.

The Hon. B.C. EASTICK: I believe that I have been misrepresented on two matters: first, in relation to an association with a headline and, secondly, in regard to the content of the article. This morning's *Advertiser* states, 'Liberals call for check on claim that public misled by Auditor-General'. I believe that a better and more appropriate statement would have been 'Libs call for check on public servant claim that Auditor-General had misled public'. There is a very vital difference. Within the content of—

Members interjecting:

The SPEAKER: Order!

The Hon. B.C. EASTICK: —the article which appeared this morning, there was a statement from Mr Emery, the public servant, that he had been misquoted. By inference, it could be taken that by tabling a document yesterday and referring to it I was misrepresenting his position. I am very pleased with the letter that you, Mr Speaker, read earlier today. That letter fully and with great clarity indicates the Auditor-General's position. We are completely aware of his impartiality, given the many reports that he has delivered to this House recently on the Health Commission, on the restructuring of the—

The SPEAKER: Order! While the Chair is sympathetic to the point of view being put by the honourable member

for Light at present, I point out that he should not be putting that point of view. He is supposed to be dealing with a personal explanation of how he was misrepresented and not making an excellent contribution to a non-existent debate on the qualities of the Auditor-General.

The Hon. B.C. EASTICK: I believe that you, Sir, will agree that it is quite pertinent to the totality of what I wish to say in defence of my position. I have taken the opportunity of obtaining a full transcript of the document which Mr Emery presented to the National Society of Accountants in Perth between 26 February and 1 March. In his speech Mr Emery states:

> In the South Australian case, it was partly, but by no means wholly, due to dissatisfaction with the partial and highly misleading data published by the Auditor-General which led to the Treasury publication. It is pleasing to note that the South Australian Auditor-General is now following what we refer to as the Treasury approach.

That is the conclusion of the portion of the speech that I wish to cite to the House. However, because of the importance of the matter and because of my complete faith in the Auditor-General, I will present to you, Mr Speaker, not only the complete transcript but a copy of the actual document that Mr Emery used when presenting his address to the Society of Accountants.

IN VITRO FERTILISATION (RESTRICTION) BILL

Received from the Legislative Council and read a first time.

WATERWORKS ACT AMENDMENT BILL

Returned from the Legislative Council with an amendment.

SEWERAGE ACT AMENDMENT BILL

Returned from the Legislative Council with an amendment.

OCCUPATIONAL THERAPISTS ACT AMENDMENT BILL

Received from the Legislative Council and read a first time.

MOTOR VEHICLES ACT AMENDMENT BILL (1987)

Returned from the Legislative Council without amendment.

STATE EMERGENCY SERVICE BILL

Returned from the Legislative Council with amendments.

AUSTRALIAN MINERAL DEVELOPMENT LABORATORIES (REPEAL AND VESTING) BILL

The Hon. R.G. PAYNE (Minister of Mines and Energy) obtained leave and introduced a Bill for an Act to repeal the Australian Mineral Development Laboratories Act 1959; to provide for the transfer of Amdel's undertaking to Amdel Limited; and to provide for other related matters. Read a first time.

The Hon. R.G. PAYNE: I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

This is a Bill to repeal the Amdel Act 1959 as amended to allow the restructuring of the organisation as an unlisted public company. The Bill will also transfer part of Amdel's assets to Amdel Limited.

The Amdel Act of 1959 established Amdel as a tripartite partnership of the South Australian Government, the Commonwealth and the Australian Mineral Industry Research Association. These three shared operating expenses in the initial years. The invitation to the Commonwealth and AMIRA was extended because of the incapacity of the South Australian Government to continue to keep the laboratories fully and gainfully employed. Since its establishment, the three partners have continued to share in the development of Amdel.

Following the sharp down-turn in the mineral industry in 1971, a review of Amdel's activities was undertaken which resulted in some amendments to the Amdel Act. The amendments were aimed at developing a market-oriented corporation with a flexibility and capacity to adjust to market conditions and to expand its activities beyond the mineral related area.

In the past 10 years Amdel has produced chequered results. Although sales have grown strongly, surpluses have been very small and have demonstrated a cyclical nature. This reflects the continuing reliance on the mineral sector. The restructuring of Amdel is aimed at achieving a number of significant improvements in its finances, overall management and in its business opportunities. Specifically these are:

(a) the injection of a significant amount of new equity capital;

(b) removal of the existing unwieldy management structure of a council and a board of management;

(c) improving the commercial direction of the company;

(d) providing new business opportunities in areas outside the mining sector.

The proposal is aimed at improving the overall performance of Amdel to ensure it remains a valuable contributor to the scientific and technological development in South Australia and to remove any demands on the State budget. The Bill proposes a new unlisted public company valued at $9 million. This will be made up of a valuation of the existing company at $5.4 million with new equity contributions of $3.6 million. The existing organisation has been valued by consultants and their methodology and conclusions have been assessed and approved by the Auditor-General.

In allocating the existing company between the three groups who have contributed to its current development, a final position was reached which allocated 42 per cent to the South Australian Government, 42 per cent to AMIRA and 16 per cent to the Commonwealth. This allocation represents the contributions of each group in terms of cash, plant and equipment, land and buildings and reinvested surpluses. Under the restructuring, the shareholdings will be:

	%
South Australian Government	25.25
Commonwealth	9.50
AMIRA	25.25
Enterprise Investment Group	11.00
SGIC	7.5
Advent Western Pacific	11.5
AMP (South Australia)	5.0
Staff	5.0

These arrangements will ensure that more than 50 per cent of the shareholding in the company is held by the public sector and that the shareholding of South Australian interests will also exceed 50 per cent. Apart from these factors the structure of Amdel Limited will offer two further protections to the interests of the South Australian community.

The first is that four of the seven Directors of the Amdel Limited board will come from the public sector. The South Australian Government will provide two, the Commonwealth Government one and the Enterprise Investment Group one. The second is the veto capacity afforded by the size of the South Australian Government's shareholding in terms of any changes to the articles of the company.

The major physical asset of Amdel is the property at Flemington Street, Frewville. This has been valued at $7 880 000 by the Valuer-General. The bulk of this property will be transferred to Amdel Limited. Surplus land will be retained by the South Australian Government to protect Department of Mines and Energy calibration equipment and to complement other public land holdings adjacent to Amdel. The estimated value of the retained land is between $300 000 and $500 000 and, as a result the Valuer-General's estimate, should be reduced by a like amount.

The property at Thebarton will not be transferred to Amdel Limited but will be retained by the South Australian Government and will be leased to Amdel Limited. It should be noted that any low level contamination that exists at Thebarton is not the responsibility of Amdel, but is a consequence of the activities of the former State Government laboratories which occupied this site prior to the creation of Amdel. In these circumstances, it is appropriate that the Government should retain ownership of this land.

The proposal for restructuring was first mooted in late 1984. Since that time ongoing consultation has been conducted with unions with members at Amdel. The process of consultation has involved further reviews and studies at the request of these unions. The Government believes every endeavour has been made to protect the rights and interests of Amdel's employees. This has been achieved through guarantees offered by both the company and the State.

Employees at Amdel are currently guaranteed redeployment into the Public Service in circumstances where they are excess to the organisation's requirements. This option has been used on two occasions by Amdel and has placed strain on the State budget. The acceptance of the restructuring proposal is partly aimed at ensuring a viable future for Amdel which will remove the necessity for redeployment. In these circumstances, Amdel has been required to guarantee employment for all regular employees of Amdel as from 1 December 1986. This guarantee will be offered to all employees individually. It stands in front of the continued redeployment guarantee of the South Australian Government which remains in the event of a complete failure by the company. The accrued rights of employees in terms of sick leave, recreation leave, long service leave are guaranteed by Amdel Limited and are covered by the legislation.

Clauses 1 and 2 are formal. Clause 3 defines the two bodies involved in the transfer effected by this Bill. Clause 4 transfers the whole of Amdel's undertaking (including all assets and liabilities) to the new public company. The two exceptions are the Thebarton land and part of the Frewville land which will vest in the Minister of Mines and Energy. Subclause (3) transfers the staff of Amdel to the company and makes it clear that the transfer does not prejudice an employee's salary or accrued leave rights. Subclause (4) dissolves the statutory corporation.

Clause 5 provides that the Registrar-General must register the new company as the proprietor of Amdel's land, and will do so without fee. Clause 6 exempts the transfer of Amdel's assets from stamp duty. Clause 7 provides that staff of Amdel who are, at the commencement of the Act, contributors to the South Australian Superannuation Fund continue to be contributors to that fund. Staff who are not contributors to the fund but who were on Amdel's staff on 1 December 1986 and have remained in continuous employment with Amdel or the new company since that date remain eligible to join the fund.

Clause 8 provides that references to Amdel in any document must be read as references to the new company. Legal proceedings may be continued by or against the new company. Clause 9 repeals the Australian Mineral Development Laboratories Act 1959.

The Hon. E.R. GOLDSWORTHY secured the adjournment of the debate.

STATE GOVERNMENT INSURANCE COMMISSION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 March. Page 3336.)

Mr S.J. BAKER (Mitcham): This brief Bill allows the State Government Insurance Commission to act as a delegated agent of the Workers Rehabilitation and Compensation Corporation. The Act under which the SGIC was established does not permit the SGIC to act under instructions other than from a Minister of the Crown. Thus it was necessary for the Government to put in place this amendment to allow the SGIC to act as agent for the Workers Rehabilitation and Compensation Corporation.

The Minister will have noted that the Opposition has on file an amendment which attempts to broaden the spectrum of the Act to include the fundamental question of the participation of private insurance companies in this scheme of arrangement. It is probably useful, in speaking to the Bill, to remind the Minister that the Bill represents a clear departure from undertakings that were given to the industry in this State. Members must be reminded that the Bill on workers rehabilitation and compensation was first introduced into the House of Assembly on 12 February 1986. At that time the Minister's clear intention was to set up a public corporation or semi-government authority to handle workers compensation business in this State and to exclude from that all elements of private insurance.

Over the ensuing nine, 10 or 11 months during which the debate raged on the level of benefits and the management of workers compensation in this State, it was made abundantly clear to employers and industry in this State that, if they agreed to the proposition, only one organisation would handle the insurance business, that is, the Workers Rehabilitation and Compensation Corporation. Clearly, the Minister has breached this undertaking. Employers have contacted me and said that they would not in any shape or form have agreed to a workers compensation arrangement of this nature. The Minister has possibly breached the Act in putting forward this proposition. More importantly, he

has departed from the provision of the Act under which the delegatory power was to be vested with the corporation. The corporation does not exist at this stage. I therefore find it a little difficult to understand that the Minister can in a unilateral fashion determine that certain sections of the business of the corporation shall be managed by the SGIC.

I bring those matters to the attention of the House, because I believe that there has been a serious breach of undertakings made to the industry in this State, as well as a serious breach of commitments made on behalf of the Minister. There is no doubt that if the Minister had said that, despite the fact that this Bill was brought before the House on 12 February 1986 and he was incapable of managing to get the new arrangements in place under the new scheme and would have to go to another mechanism, the private insurers would have been more than happy to act in that capacity. It was clearly understood by everyone who participated at the time that the corporation would manage its own affairs and would not delegate its powers in relation to the management of premiums and compensation.

It is of concern that the wheel has turned somewhat and the Minister has changed his mind; it is of concern that on 12 February, when the Minister was intent on this course, knowing how much time was needed to set up a corporation of this nature, no strategic plans were put in place to ensure that the corporation coould carry on business as from 30 June 1987. The Minister may well plead that he had some difficulty in getting the Bill passed. I maintain that the Minister should have said, 'We want this corporation to succeed; therefore, we will set in place the necessary mechanisms to allow the changeover to occur.'

There have been some real down-sides to this, as the Minister may well be aware. It is impossible to get workers compensation insurance in this town unless there are a number of pre-existing conditions. In the case of a person wanting to set up business in this State, the insurance companies, which will not be in the business for much longer, say they will not carry it for a few months. The SGIC says, 'We're in the same position, but we'll take it if we can have the rest of your business.'

In relation to the special assistance committee, which has been set up to handle these cases, the assistance has not been forthcoming. Indeed, when it has been quoted, it has been at exorbitant prices. I can quote to the House the case of a person with a $5 000 premium who finished up with a $85 000 premium because of the high risk associated with an interim measure. I am not going to spend the time of the House relating such cases, because everybody would be aware that there are going to be some traumas during the transition from one system to the other. Those changes have already been debated long and hard before this House. I only wish to remind the House that it was incumbent on the Minister to perform, and the undertakings that were given to the industry in this State have obviously been broken, because the Minister has not performed. That is why we have this Bill before us.

The Bill will enable the SGIC to act as an agent for the Workers Rehabilitation Compensation Corporation. That would not have been necessary if the Minister had been able to get his act together. It is of concern that some insurance companies say they cannot continue in business beyond 30 June, although I understand most of them will facilitate a smooth transition as far as is humanly possible. There are some down-sides, because we have not received any answers on SGIC's capability in handling the business. A number of questions will be asked in Committee on this matter. I believe that I have outlined the circumstances surrounding the Bill, the reasons why in the long-term sense it should never have been necessary, and some of the question marks which may still be hanging over the operations of the corporation.

I have a number of questions that I will ask during the Committee stage on the new arrangements. It is relevant to point out at this stage that, as the Minister did not perform and get the corporation sorted out by the appointed time, he then had to use some interim arrangement, and this particular arrangement would have been necessary whether SGIC was the sole insurer agent or one of many. Therefore, we cannot criticise the content of the Bill, because it is a necessary piece of legislation enabling that transition to occur more smoothly than would otherwise be possible.

We have put forward an amendment clearly indicating to the Minister that four years, as announced to the public, is an unsatisfactory time. We do not know what consultation took place but we heard this announcement. We understand that the Minister, on behalf of the corporation, has given away the business of the corporation for four years. We do not think that is appropriate in any shape or form. No doubt those matters will be battled out in another place where the numbers are more even and the balance of reason exists, but we believe that, if the Minister had acted responsibly and competently, we would not have had to consider this legislation.

Mr M.J. EVANS (Elizabeth): I would like to speak briefly on this matter in the same context in which I spoke on this principle when the original legislation was before the House. I must diverge quite sharply from the previous speaker, the member for Mitcham, in relation to his comments on the very principle of this matter, because I happen to take the opposite view. I am disappointed that, in fact, what we do not have before us is a mandatory requirement for SGIC to permanently conduct the business of the corporation in respect of the administrative and financial affairs of the corporation.

Of course, I do not refer to the rehabilitative or policy making functions of the corporation; they quite properly remain (and I hope forever) vested with the corporation which this Parliament has established but which the Government has not yet brought into operation. With respect to the actual conduct of the administrative and financial affairs, the branch offices throughout the State and the computing, financial and investment requirements, I believe that there is a substantial administrative and financial structure already in existence. Obviously, the Minister is acknowledging that in facilitating the use by the SGIC of that delegatory power. Of course, unfortunately contrary to what the member for Mitcham has said, this is not mandatory; it simply says that the commission is a public instrumentality to which a delegation may be made under the Act.

Notwithstanding any public statement on how long the commission may or may not operate in this way, the commission is, of course, free to make its own choice in that respect; and, after the period at present in contemplation expires, it could well establish individual offices of the commission throughout the State in full and free competition with the SGIC—but, in fact, it would not be full and free competition: it would be total duplication. I fear that one day that may well be the course of action which an empire building corporation, or some person on the staff of that corporation, may seek to follow.

I personally believe that, whatever the original merits of this concept (and they were fully debated at great length in the House, so that must be put behind us), we now have to decide on the basis of the future financial and bureau-

cratic structure of the organisation. I believe quite strongly that the SGIC is the appropriate body to take that obligation on because it is subject to public control, the scrutiny of the Auditor-General, and subject to questioning by this House, through the Treasurer.

Of course, it already has a very strong presence in the South Australian finance and insurance industry. In my view, there is no reason why it should not be mandated as the agent of the corporation on an ongoing basis. That would indeed ensure that we would not be faced at a later stage with offices of the commission next door to offices of the corporation, with the duplication of computer equipment and with the waste of the experience already established within the SGIC. I am afraid that my views diverge quite sharply from those of the member for Mitcham on this aspect of the Bill and I suspect—

The Hon. Frank Blevins interjecting:

Mr M.J. EVANS: No, I think that the Minister has taken the word out of context. I used it only as a polite reference to one's views in this House.

Mr Peterson interjecting:

Mr M.J. EVANS: I am trying to be very positive about this Bill, because I believe that the best way in which we can contribute to the future health of the corporation and the level of premiums which it will charge the employers of this State is to ensure that the most efficient possible structure is set up in the first place. Although I recognise from this Bill and from the Minister's public statements in this area that it is his intention that it should proceed in that way, when the original debate took place he said that he wanted to ensure that the corporation had full, free and unfettered discretion to choose as to how it would administer this aspect of its affairs.

Those comments concerned me then, and those concerns are only slightly allayed by the Bill before us now. At the time that the original debate took place, the Minister indicated, in response to questions from me, that he would not act in any way to ensure that the commission used the SGIC; he would only facilitate that option if the corporation wished to take it. Unfortunately, I think that that is at variance with the long-term interests of the State and its employers, and it impacts on the viability of the corporation because, in my view, the option of removing that more efficient mechanism would be quite inappropriate in the long term.

Of course, in recent philosophical public statements, the Minister referred to the need to make the most efficient use of our public resources, and I strongly support the views contained in those statements. They are indeed very rational and reasonable views, and I hope that in the long term the Minister will stand by them and implement them in the context of this kind of legislation. I think it is a matter for concern that we should set up any kind of duplication in this area, because this State is simply not large enough to cope with that, and I believe it would be most unfortunate to follow that option. I believe that in this Bill we have an appropriate base upon which to establish the SGIC as, hopefully, the initial and in the long term the only bureaucratic arm of the corporation, for the purposes of issuing the premium notices, collecting the premiums, and so on, and making payments into the fund, and the like, and I think it would be unfortunate if we deviated from that course.

The member for Mitcham referred to the need to establish this operation at the earliest possible time, and I agree with him, because uncertainty has been engendered in the insurance market about the imminent implementation of the scheme. Also, I have been contacted by a number of small businesses that had difficulty in insuring their employees in this interim period. I am concerned that the corporation should be established at the earliest possible date. I hope that this Bill is one way to ensure the earliest possible implementation of the scheme, because the SGIC already has a substantial presence in the market and, by using the SGIC, the very minimum of establishment mechanism needs to be put in place.

I hope that the Minister can assure the House that, by approving this measure and by using the SGIC, the scheme can be implemented with the minimum amount of complication at the earliest possible time, so that the uncertainty can be removed, the new scheme can be fully implemented and the benefits of that scheme can be provided to South Australian employers and, ultimately, for the benefit of the whole work force as well as the industrial development of the State. I support the Bill. I regret that it contains the word 'may' and not 'shall', but I live in hope that that will be the long-term outcome.

The Hon. FRANK BLEVINS (Minister of Labour): I thank members opposite for their support of this Bill. The contribution from the member for Mitcham was typically petulant and, at times, childish. I will not respond to that aspect of his contribution, but suffice to say that I think it is a little cheeky to complain about delays in implementing this Bill when the member for Mitcham and his Party, here and in the other place, delayed the Bill for the best part of a year. That was quite a delay which certainly was not attributable to me. I would have preferred that the Bill be in place at least eight or nine months earlier than it was, but the member for Mitcham, for reasons best known to members opposite, delayed the Bill. I have previously stated those reasons in the House. I think they relate to the fact that the insurance companies, through electoral donations, pay the Liberal Party to delay such legislation, and that allegation has not been refuted.

Representatives from the insurance industry have told me that they envisage no problems in carrying workers compensation for three months from when most—not all—workers compensation finishes. I refer to the period from June to the end of September, and I am pleased that the industry is so cooperative. However, some representatives of the industry have said that the price of that cooperation for some businesses will be very high. Indeed, in relation to some sections of the industry which are dealing with the insurance companies, the word 'profiteering' has been used. Insurance companies are charging up to 300 per cent more for writing this business, and that comes from industry organisations in this State. Because of the past record of insurance companies, I would have been surprised if that did not occur.

It is absolute nonsense to suggest that people will not be able to get workers compensation coverage. I think that the member for Mitcham did a great disservice to people in the State—particularly small business people, who are not as familiar with the law as those in big business—by frightening them in this way. The Insurance Assistance Committee places workers compensation for anybody who cannot get it. When the member for Mitcham suggested that it had not been very forthcoming with assistance, I think that that was an outrageous lie—an outrageous lie—

The DEPUTY SPEAKER: Order! The honourable Minister must not use unparliamentary language, and I would ask him to withdraw the word 'lie'.

The Hon. FRANK BLEVINS: Certainly, Sir. Really, I cannot put it any plainer than that. The honourable member knows that the Insurance Assistance Committee is a very

competent body and, if necessary, in cooperation with the SGIC, but certainly the private insurers, it organises workers compensation for firms that have some difficulty. I cannot recall anything else mentioned by the member for Mitcham that warrants any serious response.

The member for Elizabeth made a much more constructive contribution. He made some points with which I do not altogether agree, but I concede that they are legitimate points and that they have some merit. In relation to the question of whether or not the SGIC should have this business permanently, I still believe that that, quite properly, ought to be a decision taken by the corporation, because this corporation principally consists of the two parties who have rights in workers compensation, and I refer to representatives of the employees and representatives of the employers. It is their money and it is their system. Within the constraints of Government policy and legislation, they ought to have the right to decide how the corporation operates. When I introduced the legislation I did not want to place undue constraints on them, because it was then unanimous that the private insurance industry ought not be included. The private insurance industry has had its chance in relation to workers compensation and it has made many millions of dollars out of it at the expense of industry and the sick and injured workers in this State. I do not wish to rehash the entire debate in relation to that matter.

Certainly, the private insurance companies were not to be considered appropriate organisations to be acting for the corporation. Whether or not the SGIC keeps this business is, to a great extent, up to the SGIC itself. The corporation has a vested interest in seeing that it operates as efficiently as possible in the interests of all parties who are represented on it. If the SGIC in this transitional period of approximately four years demonstrates to the corporation that there is no point in the Workers Compensation Corporation establishing its own network to administer the scheme, then so be it.

However, if the SGIC does not demonstrate to the satisfaction of the corporation that it is efficient and that the corporation will make greater savings by handling it rather than by paying an agency fee to SGIC, then the member for Elizabeth would agree, I think, that that is what it ought to do; it ought not engage the SGIC as agents when it would be more efficient, economic or beneficial to do it for itself. I think that everyone has a vested interest—the corporation and the SGIC—in seeing that these interim arrangements work, and work efficiently.

The suggestion that we should have had some strategic plan in place to do this is patently nonsense, and shows a lack of thought. First, the odds of getting the legislation out of the Parliament in anything like resembling how it went in I would have said was a long shot. I think it is to my credit and to the credit of the Government that we did it. The odds, when we introduced the legislation, were slim. However, we overcame all odds and the legislation was passed.

What happened in Victoria, for a quick implementation, was that half a dozen (maybe 10, I am not quite sure, but a small group) private insurers were immediately given the business to act as agents. This turned out to be pretty disastrous, as advised by Victoria. Victoria advised us that if we wanted to get this in quickly, the only thing to do was appoint agents, and if we appointed agents to appoint only one, not more, because appointing more than one would be disastrous to the efficiency of the scheme. Therefore, we have the benefit of about 18 months of experience in Victoria and we are happy to take advice on that.

The alternative to this Bill is that the present system prevail. It will not be just three months profiteering, as has been described to me: it will be 18 months. My suspicion is that industry, while not necessarily having any particular brief for the SGIC as opposed to any other insurance company, would much rather the SGIC than be left at the mercy of the insurance companies for another 18 months. However, that is a choice that the Legislative Council can make. That is the parliamentary process, but that is the choice. This is a very small Bill, but it is important. I commend the second reading to the House.

Bill read a second time.

Mr S.J. BAKER (Mitcham): I move:

That it be an instruction to the Committee of the whole House on the Bill that it have power to consider a new clause relating to agents for the Workers Rehabilitation and Compensation Corporation.

Most of the detail of this argument has already been canvassed. We presumed that it was to be an interim measure. It is now no longer an interim measure but seems to be a medium to long-term measure. We think it is appropriate that private insurance agents should be allowed to participate in the scheme. There are a number of reasons for that. Principally, the changeover would be very smooth, given that the mechanisms are already in place.

There is no difficulty with linkage because these days one has computers. The problems in relation to staffing would dissipate overnight. However, there are a number of efficiency reasons. Private insurance companies have shown themselves to be very good managers of workers compensation schemes. I will debate a couple of the cheap shots that the Minister took during his second reading reply. Principally, I wish the Bill to be broadened to allow the Workers Rehabilitation and Compensation Corporation to be able to delegate insurance business to the private insurance industry as well as to the SGIC. This is only enabling legislation, as members will understand, and does not necessarily mean that the corporation would do so.

Motion carried.

In Committee.

Clause 1 passed.

Clause 2—'Powers and functions of commission.'

Mr S.J. BAKER: I move:

Page 1—
Line 14—Leave out 'subsection' and insert 'subsections'.
After line 30—Insert new subsection as follows:
(3b) The commission may not act as a delegate of the Workers Rehabilitation and Compensation Corporation after the thirtieth day of June 1989.

The amendments add a sunset clause which limits the operation of SGIC as an agent for the Workers Rehabilitation and Compensation Corporation to a period of 18 months. It was my original determination that this interim period of adjustment could well be completed by June 1988. Wiser minds said that June 1989 was an appropriate time. The Minister would well understand why we are making the change: it is in keeping with his original undertakings in relation to the corporation. This is a fairly straightforward amendment and cuts off the SGIC as an agent as at June 1989. It is infinitely reasonable that we should have more than 18 months to set up the system.

The Hon. FRANK BLEVINS: I oppose the amendments, for the reasons I stated during the second reading reply. While I was not then speaking to the amendments, I was speaking to the philosophy of some of these matters. I see no reason why there should be a limit on the corporation's ability to deal with the SGIC. The SGIC has demonstrated its worth to the State. I remember the debate when it was bitterly opposed. I think it is clear that the SGIC is a very worthy organisation and, should the new corporation wish

to deal with it in perpetuity, that is a decision for that corporation and one it ought to be able to take. It may well be that that is the most efficient way to go. If that is the case I would imagine that the employer representatives on the corporation board may insist on that happening, or attempt to persuade the rest of the board that that should happen. I see no reason to support the amendment and restrict the corporation's options in the way proposed by the member for Mitcham.

Amendments negatived.

Mr S.J. BAKER: I did not divide on the amendments because I thought it was an unnecessary waste of time. However, the Minister can be assured that the matter will be debated again in the Upper House and that there will be a division on the clause. The Minister said that we had pursued this matter in return for a pay-off, but I am not aware of any insurance company or anyone in the insurance industry paying me or any other Liberal member money for election funds or for any other purpose in order to maintain the battle. This is a labour of love to protect what is left of a decreasing private sector. Although we had extreme reservations about certain things with workers compensation insurance, we considered that the system could be made to work without putting this albatross around our neck, and we did not need money for this sort of thing.

With a desire to know how the scheme will work, I ask the Minister the following questions. Will he table the contractual arrangement whereby he is giving the State Government Insurance Commission the sole rights? If he will not do so, will he say how the SGIC is to benefit from the deal? What will be the total staff complement in the workers compensation section of the SGIC as at 30 September 1987? How does that figure compare with the figure as at December 1986 when the Act was passed? Whence are these extra staff to be drawn? What contingency arrangements have been made for staff employed by private insurance companies who will not receive alternative employment with the SGIC and have no opportunity for other employment, given that this business will no longer be with those companies? How will each firm be assessed by 30 September 1987 to derive the appropriate premium level, given that more than 40 000 employers must be assessed within a short time? On what information will the SGIC gauge each firm's liability, given that much of the information is currently contained within private insurance company records?

The Hon. FRANK BLEVINS: When speaking on this clause, the honourable member made certain statements concerning his defence of the private sector in this State. He said that he was doing so vigorously in his opposition to this system of workers compensation. Indeed, I read out a previous comment that the honourable member had made about workers compensation where he said that he had examined the system in Queensland, where they have a system similar to this, and that this was the way to go. I read it from *Hansard*. I took notice of the member for Mitcham, and our system is based on the Queensland system, the New Zealand system, the Victorian system and similar systems in certain Canadian provinces. So, the member for Mitcham might have changed his mind.

In reply to his questions, may I say that the honourable member can take up with the corporation its contractual arrangements with the SGIC after the corporation is formed. That is something for the corporation to say. I have told the SGIC that I will direct the corporation to deal with it for a certain period. The details of that will be worked out by the corporation. Regarding the total staff of the SGIC, I do not know what it was at a certain date or what it will be later. Indeed, I do not see that that is relevant, but I will try to find out.

Regarding whence the extra staff will be drawn, that is something for the SGIC to sort out. I assume that the SGIC will go to the marketplace. I have been assured that there will be no problem in establishing an agency for the new corporation by 30 September.

Regarding the contingency arrangements for the staff, I have an agreement with the Australian Insurance Employees Union which covers that aspect. The honourable member asked how an appropriate premium level will be arrived at. That again is something for the corporation. The SGIC has a data base and, as it has between 25 and 30 per cent of the market, plenty of data is available.

Regarding what information the SGIC will have to gauge any firm's liability, given that the information is contained in private insurance company records, again the SGIC is the largest workers compensation insurer at present, so it will have no difficulty in extracting the necessary data to enable it to play its role as agent.

Mr S.J. BAKER: I am frankly surprised and disturbed that the Minister cannot supply details. I should be happy if he would take my questions and get the information, because those questions will be asked in the Upper House. The Minister well knows the trauma that has been suffered in Victoria because of the introduction of workers compensation insurance legislation.

An honourable member interjecting:

Mr S.J. BAKER: Yes—$185 million in the first few months. If the job is to be done well, proper preparation will be required. The Minister should have apprised himself of details concerning the transition in the workers compensation insurance industry. Will the Minister and his officers confer with the SGIC so that details may be provided in the Upper House? It is important that South Australian employers and employees, as well as the associations involved, have these questions answered, given the difficulties that have occurred not only in Victoria but in every other place where the system has been changed. We merely wish to minimise the disruption and Parliament should be assured that such disruption will not happen. Will the Minister give an undertaking in this regard?

The Hon. FRANK BLEVINS: I am happy to give the undertaking that has been given to me by private insurers who have told me that there is no problem in picking up the period from 30 June to 30 September. The SGIC has assured me that, although it will be tight, there is no difficulty in its taking over its role as agent from 1 October. It is a very efficient organisation. The corporation will work out the premium levels. On the corporation board there will be employer representatives who will help work out such premiums with the other board members. Representatives of employers will be on the board; it is their board, and they will be happy to be there.

It is their board, it is their money, and their system. So, the employers have expressed no problems to me—none whatsoever. If they have expressed them to the member for Mitcham, that is their right, but they certainly have not advised me of any of these problems. As regards other issues, there have been some queries and I have responded to them appropriately.

Clause passed.

New clause 3—'Amendment of Workers Rehabilitation and Compensation Act 1986.'

Mr. S.J. BAKER: I move:

Page 1, after line 30—Insert new clause as follows:

3. The Workers Rehabilitation and Compensation Act 1986, is amended—

(a) by striking out the word 'or' after subparagraph (iii) of paragraph *(a)* of subsection (2) of section 17;
and
(b) by inserting after subparagraph (iv) of paragraph *(a)* of subsection (2) of section 17 the following word and subparagraph:
or
(v) to a body corporate that carries on the business of insurance.

The amendment has been canvassed thoroughly during the second reading debate and in Committee. It merely provides the opportunity for the Workers Rehabilitation and Compensation Corporation, when it is in existence, to allow agencies to go to the private sector should it so determine. To that extent, I think it is a very healthy and worthwhile amendment.

The Hon. FRANK BLEVINS: I oppose the amendment. I think it is the worst possible result of any change in the workers compensation system to leave any part of it in the hands of private insurance companies. The legislation quite specifically and deliberately precludes that. As I said earlier, the private insurers have had their go at workers compensation, and very few employers are interested in their staying there. None of the unions are interested in them staying there. The Parliament is not interested in their staying and, personally, neither am I. I cannot think of any circumstances that would persuade the Government to change its mind. As I say, the alternative to the SGIC's doing it is to leave South Australian industry in the hands of the insurance companies which, if what the industry tells me is correct—and I have no reason to disbelieve them—are already engaged in certain areas in a certain amount of profiteering by increasing their premiums by up to 300 per cent for the three months between June and September.

New clause negatived.

Title passed.

Bill read a third time and passed.

DANGEROUS SUBSTANCES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 March. Page 3337.)

Mr. S.J. BAKER (Mitcham): This Bill simply updates the penalties under the Act. I should not say 'simply', because it involves a very large increase in the penalties prescribed under the Bill for various abuses connected with the handling, use and conveyancing of dangerous substances. Everybody is aware of the problems that can be caused by misuse of dangerous chemicals, in particular, substances with high flashpoints or low flashpoints—

Mr Robertson: How about in between flash points?

Mr S.J. BAKER: Low flash points, mainly associated with petroleum products. We have had a number of examples in the world in recent times where we have had difficulties. In fact, some tragedies have been caused by dangerous substances. Previously, the Act prescribed on almost all counts a fine of $1 000 for a breach of the Act or the regulations. The Opposition has made this point on a number of occasions, and it was certainly associated with the spill that occurred at Gillman. Other examples of a very minor nature have occurred since that time. It was inconsistent for the Government to have a $50 000 fine for occupational health and safety when the handling of dangerous substances incurred a fine of $1 000.

We do not resile from our belief that everybody has a responsibility to handle dangerous substances in a way that is sensitive to the community at large. We do recognise the disasters that have happened around the world. I remember the problem in Switzerland, where a chemical spill ruined the Rhine, and parts of that river will not recover for many years. The damage caused by chemicals—including volatile, toxic and corrosive—not only can have a very serious effect on the environment but also can involve loss of life and limb in the process. It is important that all people address this problem responsibly.

Having said that, I would like to make two major comments about the Bill. We do support the general proposition that where toxic, noxious and corrosive chemicals are involved the penalty should be increased quite substantially. The order of penalties in this case is in keeping with that in the Occupational Health, Safety and Welfare Bill. Not only the safety of workers but also the wider question of the public interest is involved.

There are some question marks about what is encompassed by the dangerous substances list. I bring to the notice of the House that under the regulations an enormous number of substances are classed as dangerous substances. This makes it very difficult for a person to know whether a substance is a dangerous substance, or whether the packaging and conveyancing requirements have been adhered to when the regulations associated with this are encompassed in the Commonwealth's case in 436 pages of the Commonwealth *Government Gazette.* I defy anybody in this House to tell me, when thousands are mentioned in this book, the allowable quantities of four chemicals to be held for private use and how they should be contained and carried. No-one in this House could do that.

An enormous number of chemicals can cause problems, whether they be simple rashes (because they have contacted the skin) or whether they can take a life because of their highly toxic nature. This covers so many items. For example, palm oil is listed as a dangerous substance. How many people would know what palm oil even looks like?

Mr Robertson: You rub it on your hands.

Mr S.J. BAKER: That is the one. It is included as a dangerous substance in the same category as such things as petrol and kerosene.

Mr. Peterson interjecting:

Mr S.J. BAKER: Yes. As the member for Semaphore points out, it is inflammable, and care must be taken. How many people realise just how much care has to be taken? Is it a lot or a little? Has anybody any knowledge of the 436 pages contained in this Commonwealth *Government Gazette* or the State regulations?

Members interjecting:

Mr S.J. BAKER: If members opposite know something about it, we would like to hear from them. We have a Parliament to make laws. We should also have a mechanism by which knowledge can be imparted. The contribution that I want to make to this debate is very important. No one person can know what are their obligations, and labelling for substances must be improved. Whatever outlet we have we must have an improvement in labelling that states not only what minimum quantities we can have and in what form we can have them but also, very importantly, how they can be conveyed. That sort of information is not normally contained on labels or tins, jars or whatever. An enormous number of regulations must be complied with.

It is unfair that we have an Act prescribing a $40 000 penalty when there is no way in the system that people can get that information unless they ring up the appropriate department, and most people would not know what the appropriate department was. They cannot even get a copy of the Commonwealth regulations at the moment because they are out of print. It is inappropriate in this legislation,

when we are talking about the problems that I have just discussed, that, if there is no intent or wilful abuse, imprisonment should be an option. I will finish my contribution on that point.

I emphasise to the House that this is a complex area covering type, quantity, quality, transport and containerisation of material. Nobody in this House could tell me in relation to more than two chemicals out of thousands what the prescriptions are. If people have to comply and face a $40 000 fine they have a right to receive better information. Such better information must be led by State and Commonwealth Governments which can provide information to manufacturers for labelling purposes so that the people buying these substances for distribution can indeed take the proper precautions. It is not done, but it is time that it was done.

We are miles behind overseas countries in the way in which we handle our chemicals. I am not downgrading the need for care but saying that, because of the enormous number of regulations, we need better information to be made available to those people using chemicals. Under this Act people could conceivably be imprisoned for something of which they had no knowledge, for substances which they regard as everyday garden varieties and which they would never assume to involve any restriction. It is incumbent on this Parliament to sort out some of these issues and to show the way. I thank members for their consideration.

Mr PETERSON (Semaphore): It was interesting to hear the member for Mitcham, because certain publications do define the classifications of dangerous substances. The stevedoring industry has a blue booklet published under the aegis of the British Maritime Board which sets out various chemicals and classifies them into various categories. A red book is also used by the industry generally and it has certain classifications. I fully support the Bill because any step in improving the protection for workers and the public generally in this State with regard to dangerous substances must be supported. Increased penalties for any mishandling should also increase awareness. Under the Dangerous Substances Act of 1979 'dangerous substance' is defined as follows:

> ...any substance, whether solid, liquid or gaseous, that is toxic, corrosive, flammable or otherwise dangerous and declared by regulation to be a dangerous substance for the purposes of this Act.

It uses the words 'by regulation', to which I will return later. In my electorate in particular large quantities of these dangerous substances are stored. Under current legislation we have defined petrol and gas, and I have something like 196 000 kilolitres of flammable liquid stored as well as other minor storage, and about 1 809 kilolitres of LPG. The storage of other dangerous substances is not required to be listed. Significant spills and discharges that have occurred over the past few years have heightened public awareness of these problems. In an article in the *Advertiser* of 15 May 1986 the Minister is quoted as stating:

> At this moment the Government has a major problem in not knowing what chemicals people store. About 3 000 new chemicals were introduced into Australia each year with little or no assessment.

That is true, and such chemicals are building up in the community all the time. I will briefly touch on the regulations. Three current regulations affect the handling of dangerous goods. The regulations are No. 75 of 1981, No. 158 of 1983 and No. 111 of 1986. They define 'dangerous substances', which are divided into classes. Class 2 comprises gases, compressed, liquefied or dissolved under pressure. Class 3 comprises flammable liquids and is subdivided further into class 3.1, comprising a flammable liquid having a flashpoint below 23 degrees Celsius, and class 3.2 comprising a flammable liquid having a flashpoint of 23 degrees Celsius up to and including 61 degrees Celsius. That relates only to petroleum, petroleum products and gas.

The current regulation that is about to come in force on 1 April this year—No. 241 of 1986—expands the definition of 'dangerous substances' to include class 6 substances comprising poisonous and toxic or infectious substances and class 8 substances, which are corrosive substances. The letter on the back of the regulations, signed by the Director of the Department of Labour explains the need to expand the licensing provisions and the regulations.

Many other dangerous chemicals are not classified under regulations. In my electorate alone to my knowledge such substances as ammonia and chlorine, as well as a large quantity of sulphur dioxide, a poisonous gas, are stored. They are not covered by the current regulations, and I ask the Minister to take that on board. They are classified as class 2.3 substances which are poisonous gases but are not covered by the regulations. I am worried that we do not have provision to extend into those areas and control them as we can other matters. We are still way behind the rest of the world, as stated by the previous speaker.

I intended to go into much more detail on this Bill, but the Minister has informed that a further Bill is to come forward in the future to expand quite considerably the Dangerous Substances Act. At that time I may continue my contribution. We have a lot of substances in the community which are known, which are on record as being released into the atmosphere and endangering workers and the public but which are not covered under current regulations. I know of two that have gone into the atmosphere—ammonia and chlorine—and have been the subject of serious spills in my electorate over the past few years. However, they are not covered. I will wait for the other Bill to be introduced. I leave the debate at this stage. I ask the Minister to take those points into consideration.

Mr LEWIS (Murray-Mallee): I wish to draw attention to what I regard as being (notwithstanding the general concern I share with other members, including the Government) the necessity to effectively prosecute people who breach the Act, and the need, nonetheless, to exercise commonsense and compassion in the way in which the Act is enforced. Too often in the past we have had instances of an emotive nature in relation to the way in which those incidents have been reported, whipping up public feeling quite unnecessarily.

The classic example of this was the inadvertent spill of copper chromium arsenic salts used in the high pressure superheated steam process of treating softwoods, particularly, in this case, pinus radiata, at a timber treatment works at Gillman, near Port Adelaide. In the incident in question, someone, presumably one of the work force (a member of the staff or someone else working on the premises of the firm involved), knocked over a ladder and broke a PVC pipe. Overnight the cracked pipe leaked copper chromium arsenic salts from the storage tank into the open, across the yard and down the drainage hole into stormwater drains. I am not sure of the quantity: I think it was about 1 300 or 1 400 gallons of material. In consequence, the following day when the cracked pipe and the leakage were discovered, the wrong people were sent to the site to investigate the situation. The cracked pipe had occurred through no fault of the management, and there was nothing management could have done to avert the situation.

People with a knowledge of chemistry and biology should have undertaken the investigation, first, to assess and under-

stand what had occurred in terms of the chemicals released and, secondly, to assess the impact of those chemicals on their immediate surroundings or the surroundings into which they might ultimately find their way. In this case those surroundings were via the stormwater network of drains and channels into the North Arm. Happily for all of us, I suppose—although unhappily it was thought at the time—very heavy rain occurred and action was taken on the mistaken advice of the wrong people who went to the site to provide an assessment of the situation to their seniors in the departments concerned. Sand was dumped into the stormwater drainage network to try to stem the flow of the material towards the North Arm, and in a last ditch attempt the tide gates on the channel (which are not watertight) were closed. There was a final attempt to prevent the entry of that material into the North Arm using a canvass fadge or pocket cover across those doors.

There was no need for any of the expenditure incurred in the course of that attempt to prevent the material reaching the North Arm, because it was not a great quantity of material given the volume of water in the North Arm and the amount that circulates by virtue of the effect of tides in the North Arm and the adjacent waters in St Vincent Gulf. It would have been more sensible and simple to pump in seawater and immediately dilute the material to the point where it was of no consequence.

Mr Peterson: There is a cumulative effect. It builds up.

The ACTING SPEAKER: Order!

Mr LEWIS: That may be. Arsenic does not become something else when it escapes into the environment, especially into seawater. Arsenic remains arsenic: it is an element. It can change its chemical composition according to the substances with which it comes into contact—there is no doubt about that. However, members must realise that, wherever there is a rift in the earth's crust and magma is exposed under water to the oceans of the world, the aberrational quantity of some of these toxic chemical substances such as arsenic and chromium occurring in that magma are many hundreds if not thousands of times greater than they would likely have been in the incidence of the spills of those chemicals into the North Arm.

We as a State have foolishly spent a lot of money attempting to prevent that material getting into the North Arm, but that was of no consequence: it would not have caused a great deal of damage—if any. That same material in its diluted form, as it would have reached the North Arm, was for the sake of the exercise consumed by the operator of a treated timber plant at Penola in the South-East to illustrate to the media and others who were interested that it does not kill us. We would say that if we drank arsenic it would kill us. After all, if we administered arsenious oxide in minute quantities to human beings, we could be found guilty of homicide because, indeed, we would kill them, as we would kill any other higher animal. But that is not what happened in this case: the arsenic salt was stable and not anywhere near as toxic to human beings or higher animals as arsenious oxide.

Mr D.S. Baker interjecting:

Mr LEWIS: Indeed. A lot of unnecessary emotion or concern was whipped up by people who were ignorant in the first place of the real effects of that chemical spill material, and that concern was reflected in this House by the opinions expressed or implied by members and was written up in the media. It was ill informed and unnecessary. We ought to take stock of the fact that we are putting an increasing burden of responsibility and cost on our industries which does not result in protection to us or other forms of life—animals, bacteria and plants, although they are not really threatened to the extent we often think.

I recall an incident at the Streaky Bay Area School where members of the community gave us the impression that they were possibly all about to die of cancer as a result of exposure to aldrin. I have used aldrin for years, and I am not dead, nor are the animals to which I have administered it. I have never killed anyone. I have used aldrin not only in producing healthy lambs and other livestock for sale but also in protecting my vegetable crops. If we use them in the right way, we have nothing to fear from these chemicals. We only need to know the way in which they act, the effects on other life forms contacted and, thirdly, the way in which to treat anyone who may be adversely affected by a concentrated dosage of the material.

We introduce this kind of penal legislation, however, not wanting to diminish the ability to deter people from taking irresponsible actions and bodies corporate from being indifferent and irresponsible. I draw the attention of the House to the fact that we will make it virtually impossible for some market gardeners to produce vegetables at a price we can afford to pay if we enforce the law as it stands and the penalties as they are now prescribed, thereby preventing access to sound, healthy food and fibre at prices we can afford.

If we are not careful, we will price ourselves out of the market with our fear of dangerous substances. Therefore, I conclude, as I began, by asking the people who will be charged with the responsibility of administering this Act and the increased penalties to exercise some discretion and wisdom in doing so. For instance, it would not be fair or reasonable to expect market gardeners to carry around the 450 page document that will be produced by the Commonwealth listing the class 6 and class 8 substances in order to check whether the chemicals they are handling are contained in that document thereby exposing themselves to the risk of a fine which could bankrupt them. I do not see that as being sensible. I have responsibly used a large number of these toxic and corrosive substances in the past, and I believe I have done so in a fashion that has been beneficial to the consumers of my produce as well as my employees.

The Hon. FRANK BLEVINS (Minister of Labour): I would like to thank all members who have contributed to the debate for the support that they have given the Bill. I believe this is not the appropriate Bill on which to engage in a general debate on the issue of dangerous substances. The Bill increases penalties quite substantially. The Government believes that that is desirable, given the very low penalties at present and the quite dramatic effects of the misuse of dangerous substances, endangering the community and the environment. While the increases are large, we believe they are appropriate.

Coming before the House eventually will be another Bill amending the Dangerous Substances Act (I hope sooner rather than later), and I will be pleased to go through a more extensive debate on the Dangerous Substances Act and the principles behind it. However, when it is only a change in the scale of penalties, I do not believe that it is necessary to engage in a full debate. Given that it is a small but significant Bill, I commend the second reading to the House.

Bill read a second time.

In Committee.

Clauses 1 to 6 passed.

Clause 7—'Offence with respect to conveyance of dangerous substances without licence.'

The Hon. B.C. EASTICK: Before moving to insert a new clause after clause 7, I take the opportunity to acknowledge the general rational approach to penalties contained in the Bill. The penalties are maximum penalties and, therefore, the courts will consider them in relation to the severity of the misdemeanour. Recognising that the existing fines go back to at least 1979 or before, and taking into account inflation and general public expectation, I make no further comment on maximum penalties.

The Hon. FRANK BLEVINS: It was remiss of me in my response to the member for Murray-Mallee in the second reading debate not to mention that, while Parliament specifies these penalties mentioned by the member for Light, they are maximum penalties, and the courts ultimately decide what the penalty will be within those parameters. I am sure the courts are sensitive to all considerations in a particular case, and I think the judicial process is adequate to deal with the concerns expressed by the member for Murray-Mallee.

Clause passed.

New clause 7a—'Penalty.'

The Hon. B.C. EASTICK: On behalf of my colleague the member for Mitcham, I move:

Page 2, after line 10—Insert new clause as follows:

7a. The following section is inserted after section 25 of the principal Act:

25a. A court may only impose a sentence of imprisonment for an offence against this Act if satisfied that the offender—

(a) knew that the act or omission constituting the offence was likely to endanger seriously the health or safety of another;

or

(b) was recklessly indifferent as to whether the health or safety of another was so endangered.

We have a situation where an individual may be treated more drastically than a corporate body. Although a corporate body may be fined in the order of 10 times more than the fine relating to an individual, the corporate body cannot be imprisoned, whereas the individual, admittedly fined a lesser amount, may be imprisoned, or both imprisoned and fined.

I suggest to the Minister that it has been ably demonstrated by my colleague the member for Mitcham (and adverted to by the member for Murray-Mallee) that in certain circumstances there could be clearly no malicious intention but an error of judgment or a misunderstanding. I believe that the inclusion of this provision, which allows the court to examine the circumstances leading to the prosecution, will not exonerate the person concerned but will certainly mitigate against the possibility of that person being imprisoned in the case of a legitimate defence that the contravention occurred as a result of misadventure.

One might say that the court would have that discretion, but there ought to be a clear indication to the court that the Parliament, in passing this legislation, recognised that there may be such tempering circumstances—hence the reason for this provision to be inserted. It does not deny what the Government is seeking: it simply provides a reasonable expectation for a person who, in any event, will be heavily fined. If they transgress, they suffer the monetary penalty but not to the point of imprisonment, which goes far beyond a situation that will affect a corporate body where it might even be demonstrated that the corporate body was more culpable or had intended to defy the law by not handling such dangerous substances with the reasonable care which is expected from all people who handle such substances.

The Hon. FRANK BLEVINS: I oppose the amendment, which I think is superfluous. When the member for Light spoke to it, I think that he made out a very good case as to why we should oppose it. The courts already have that discretion and this amendment adds absolutely nothing to the proposition. If the courts feel that imprisonment is not appropriate for whatever reason, then they do not have to apply the penalty of imprisonment if they choose not to. It may well be that there are a dozen or a hundred reasons why gaol is not appropriate. Why did not the member for Light list all those reasons?

When a maximum penalty is set out, it is absolute nonsense to say what one cannot do. It is up to the courts when imposing penalties to use whatever discretion they wish, subject to the normal judicial processes. If they are out of line, they will be subject to appeal, but I have sufficient confidence in the judicial process not to wish to fetter it with this amendment which, as I say, is superfluous. This amending Bill has gone through IRAC which, as members would be aware, consists of equal representation from industry and trade unions, and it agreed that this legislation should be introduced.

The Hon. B.C. EASTICK: I am disappointed that the Minister has taken this attitude. I thank him for the compliment that I destroyed my own case, but I do not believe that that is so. Also, I point out to the Minister, without going into great detail, that from time to time members on both sides of the House have been aware of cases where a magistrate or a justice of the peace who was out of sorts has made quite a disastrous decision in relation to what otherwise has been a minor transgression, such as a traffic offence and the like.

The Hon. Frank Blevins interjecting:

The Hon. B.C. EASTICK: Yes, and the reverse, but it is a fairly traumatic experience for the individual who finds himself in prison to extricate himself when, under normal circumstances, he should not have been there. However, I am quite certain that we will see the substance of this amendment in another place in due course and I will not delay the Committee any longer.

Mr LEWIS: I find the Minister's logic unfathomable; I do not follow it. He is really saying that, if this Parliament is not in a position to indicate circumstances in which certain penalties should apply as opposed to other circumstances in which those penalties, in degree of severity, ought not to apply, why do we not simply pass laws and leave it to the courts to decide what the penalty will be? Why is Parliament not utterly silent as to whether the penalty ought to be a fine or a term of imprisonment, and leave it to the courts to decide that matter?

The Minister is therefore guilty of trying to perpetrate a nonsense on this Parliament when he says that we should not give the courts any direction as to the circumstances in which they should exercise their discretion in applying one kind of a penalty as opposed to another kind. Clearly, there are circumstances in which it is warranted to contemplate a heavier penalty of a different kind. As we do with all legislation, we should spell out the circumstances in which that heavier penalty should apply rather than leaving this vague direction and option open to members of the judiciary.

The Minister cannot legitimately and reasonably argue that the case which he has made out is in any sense consistent with the attitude expressed by Parliament in relation to other legislation which deals with penalties. His attitude does not gel with previous experience which has shown Parliament over its history that it is necessary to provide directions to courts as to how they should apply the kinds of penalties that can be applied where breaches of the law are found to have occurred.

The Hon. FRANK BLEVINS: In response to the member for Light, of course there are occasions when the courts

appear to be too severe on a person and they imprison them, in the words of the member for Light, when those people should not be imprisoned. The judicial process takes care of that, because they can have recourse to the appeal procedure. I have sufficient confidence in the judicial process to believe that, in the end, justice is served. In relation to the contribution made by the member for Murray-Mallee, he seems to get into a lather over nothing. I do not suggest that Parliament does not have the right to do this but, rather, I suggest that it ought not do it.

Mr Lewis: It's always done it.

The Hon. FRANK BLEVINS: Of course Parliament has done it since the establishment of Parliament. I am saying on this occasion that I do not believe it is appropriate, and I hope that Parliament agrees with me. If it does not agree with me, so what? I do not suggest that Parliament cannot do it, but I suggest that on this occasion it is not appropriate.

Amendment negatived; clause passed.

Clause 9 and title passed.

Bill read a third time and passed.

POTATO INDUSTRY TRUST FUND COMMITTEE BILL

Adjourned debate on second reading.

(Continued from 12 March. Page 3390.)

Mr GUNN (Eyre): This is the final phase in the Government's interference with the potato industry. First, the Government interfered by abolishing the Potato Board under the guise of consumer protection. As a consequence, it has given the consumers higher priced potatoes with no regard to quality control. This measure attempts to put in train an administration to manage the funds which have accrued as a result of the sale of the assets of the now defunct Potato Board. I understand that the sum involved is slightly in excess of $1 million. I do not believe that the industry objects to that money being put to good use for promotion, development and research. However, it takes strong exception to the Minister taking it upon himself to be the master of the destiny of these funds.

The committee is loaded in favour of the Minister and of the people who have no direct or immediate interest in the funds which have been accrued. For the life of me, I cannot understand the provision of clause 3 (2), which, states in part:

(e) one will be a person who, in the opinion of the Minister, is a suitable person to represent the interests of the community.

What is the purpose of that paragraph? Who will the Minister get? Will it be a friend of the Labor Party—a job for the boys? It is a ludicrous proposal that should be thrown out without further consideration. Clause 3 (2) also provides for the following representation:

(b) one will be a Public Service employee who has experience in financial management—

I have no real argument with that—

(d) one will be a person who has experience in management or administration—

I suppose that that person will be a lawyer—

(c) one will be a Public Service employee in the Department of Agriculture—

I suppose that that is fair enough—

(a) three will be commercial potato growers;

I understand that the ring-around has already taken place, trying to ginger up people to put on this committee. The money belongs to the growers, not to the Government. It belongs to the producers in this State, and they should be the dominant group represented on the committee. At the appropriate time we will move amendments to bring about grower control of the committee. We believe that it is unnecessary to have on the board a person representing the interests of the community, for whatever reason the Minister likes to conjure up. Further, we believe that the committee should have the updated financial arrangements clearly before it when it commences operation.

We also believe that the community and the Parliament should be fully aware of how the Government disposed of the assets. What has happened to the money since the time of disposal? How much has been used to pay Potato Board staff who are now redundant? We believe that that information should be made available to the Parliament; therefore, another amendment is necessary.

The Hon. H. Allison interjecting:

Mr GUNN: Certainly, and who made the decision? We believe that the operation of the committee should be reviewed after five years so that if the industry is not satisfied, and if there are problems, representations can be made and the committee can be wound up, restructured or altered to bring it into line with the views of the industry.

It must be clearly understood that the views and aspirations of the industry have to be paramount in this exercise. The money used to finance and build up the assets of the Potato Board came from the growers. However we look at it, it is growers' money, not taxpayers' money. The money was not put forward by the Government. I am advised that the assets accrued from the industry. The industry therefore should have the right to say how the money will be invested and used in the interests of the potato industry in South Australia. That is a principle that the Opposition has always supported and will continue to support.

If the Minister wants to short circuit this debate and does not want to be engaged in a protracted exercise like that which occurred in relation to eggs, we suggest he accept the wishes of the industry. I understand that the industry has been invited to nominate persons who should be on the panel for membership of the committee. I have read correspondence where the Minister says that it is his committee and that he has control over it. I do not know how he can say that. It is not his committee.

An honourable member interjecting:

Mr GUNN: It is not his money either, it is industry money. It is important that the Minister accept the situation. He was taught one lesson in relation to the Potato Board when he refused to negotiate. I understand that he is now back at the negotiating table. However, he has to be taught a lesson—

The Hon. M.K. Mayes: Not by you.

Mr GUNN: The Minister has the Bill. He was told what was going to happen to it when he was down on South Terrace. He knew that night what was going to happen to the Bill.

The Hon. M.K. Mayes: Do you see the price of spuds as a consequence of this?

Mr GUNN: The Minister has learnt one lesson: it is obvious that he is going to learn another. If he continues to go down that track, not negotiating and not listening to what the industry says, then I am afraid he will get the same treatment again. Commonsense should prevail. Any fair and reasonable minded person will look at the legislation and ask, 'What is the Minister about?' When one reads the correspondence that has taken place between sections of the industry and the Minister one can see that the Minister talks about 'his committee'. It is not his committee. What nonsense and arrogance! What hypocrisy the Minister is engaged in in dealing with this matter! This committee

will administer some $1 million-odd, and that amount can be productively spent to promote and develop new strains of potatoes.

The Hon. P.B. Arnold: As the industry wants.

Mr GUNN: As the industry wants. I do not think it is necessary for me to go on at length, except to say that the Opposition is determined in relation to the amendments. We believe that commonsense should prevail. I have had considerable negotiations with those who will be involved. Further, we believe that each South Australian district that grows potatoes should have one representative on the committee, starting in the South-East and working up to the Adelaide Plains. Who those representatives will be is a matter for the industry to determine in its own good time. It has advised me that it is happy to make sure that all sections of the potato industry, whether members of the Horticultural Society or not, are made aware that nominations are being sought for those positions. The Opposition will support the second reading, but I foreshadow a number of amendments standing in my name. I hope that the Minister will show commonsense and agree to the amendments, because they will greatly improve the administration of the committee.

Mr M.J. EVANS (Elizabeth): This Parliament has considered the future marketing and research arrangements for the potato industry on a number of occasions now and this debate has, in the past, been particularly controversial. However, the question of marketing controls over potatoes has now been resolved, and that debate took place some months ago. We are now left with the question of how to deal with the growers' funds and money that was left over from the administration of the previous Potato Board. The Minister's Bill concerns me as much for what is not in it as for what I find in it. What we find in it is very little. Unfortunately, the second reading explanation contained little more than just the technical explanation of the clauses.

For example, I am concerned that the Bill does not lay down a specific code of conduct and future purpose for the research funds that are available. The original Potato Marketing Act in section 26 (which we inserted some months ago, when the Minister originally proposed to wind up the board) simply established a fund for the development of the industry. The word 'development' is particularly broad. While it was quite appropriate to have such vague terminology in the original Act which simply suspended the operation of the process, I do not believe that it is good enough to repeat that in this context here.

A quite clear purpose and future direction for which this Parliament intends that money should be spent should be laid down in the Bill so that we can judge the future performance of the committee and the Minister against those established criteria. Unfortunately, no *raison d'etre* of the committee is set down either in the second reading explanation or in the Bill, and that is a matter of some concern. Very little is stated in the Bill in relation to how the members are to be chosen. It is particularly vague, as are the accounting arrangements which will apply to the committee and the fund. Naturally, because the assets are vested in the Crown and the Crown in this case is the Minister of Agriculture, a body corporate, the Auditor-General will examine those accounts and report to the Parliament in such terms as he sees fit.

However, it seems to me that while that is appropriate for ordinary (if I can use that word) taxpayers' funds, the context we have here is a little different. We are dealing with other people's funds in the sense that this money came directly from the growers, and it is to be expected that it will be administered for their benefit. I believe that where we are holding in trust other people's money we have a liability to account for it a little bit better than we do in relation to the normal ebb and flow of taxpayers' funds which, of course, is covered by much broader debates and auditing procedures.

Certainly, provision should have been made here for a more detailed accountability. I am also concerned that this committee is strictly an advisory committee. It advises the Minister only and has no real right or responsibility in relation to those funds; nor is there any provision really for us ever to determine whether or not the committee's advice has been acted upon. I think it is unfortunate that the committee is not required to lodge some sort of annual return with the Minister for tabling in this Parliament. That would improve the accountability by the committee for the growers' funds which it administers in trust.

So, those sorts of questions should have been addressed by the Bill and certainly by the Minister in his second reading speech if they were to be implemented in regulations. I am disappointed to see that they are not there because I believe that we have a very real responsibility to look to the way in which we administer those funds and to provide some evidence to the horticultural community as to just what we intend to do with what is indeed a very substantial amount of money. I look forward to the Minister's explaining to us how he intends that to be used and to his laying down some proper guidelines and perhaps giving a commitment to them either by way of future amendments or in regulation form, indicating how the committee is to be accountable to the public and to the Parliament, and why the committee, rather than the Crown, was not vested with the funds when it involves not taxpayers' funds but growers' funds. I shall be interested to hear the Minister's explanation for that, and I look forward to the more detailed deliberations of this Bill in Committee.

Mr LEWIS (Murray-Mallee): The points that I wish to make about this Bill are, more than anything else, probably more definitive of the inadequacies contained in the Bill itself and the Minister's second reading speech as already alluded to by the member for Elizabeth. I am at a loss to understand why the Minister, if it is for reasons other than arrogance, has put this measure before the Parliament in its present form. I can only presume that it is arrogance.

The Hon. H. Allison: Not ignorance?

Mr LEWIS: It could be ignorance. I guess that arrogance is bred of ignorance in the first instance. Without wanting to direct too much attention to clause 2 in which the definitions are contained, but without passing clause 2, I must ask why the word 'commercial' in the term 'commercial potato growers' as an adjective is not defined? What the hell is a 'commercial potato grower'? It is left entirely to the Minister's discretion to decide that. It could be somebody who in the household is using their skill to grow spuds to save them the cost of having to buy them in the context that that is saving money for the household and, therefore, it is seen as a commercial endeavour undertaken on the part of the household. Thus, it is legitimate for the Minister to nominate somebody with no more or less connection with the industry than simply the fact that at one time or another they have grown a spud. I find that incredible.

Why does not the Minister define what he means by a 'commercial potato grower'? He has not done so. The legislation does not do it, and it leaves open forever the interpretation of what a commercial potato grower really is in law or who such a person can be. Is it a representative of a body corporate engaged in the legitimate business of

growing spuds, or must it be restricted to those people who in their own right as natural persons engage in the business of growing potatoes?

Let me then pass on to clause 3 and what I regard as being the inadequacies of the Bill. This clause includes the definition of how the committee shall be comprised. I have already referred to the fact that three members will be 'commercial'—whatever that means—potato growers. I might speculate at this point that it might be a job for Bob Zerella, given that the Minister will probably hoof him off the Trotting Control Board in the near future, knowing of his previous connection with the potato industry. I know that an appointment like that might not meet with the approval of his brother Vic or with a large number of other people in the industry.

Let us look at the general composition of the committee. Why on earth does the Minister want to force upon the industry a committee which is not representative of its (the growers) interests when all the money can quite simply and demonstrably be proved to have come from growers' contributions? It was not by the wisdom of this Minister or of any other Minister, or by deed of any revenue collecting law that they passed, or indeed by a contribution from any other party but the growers. They had to supply a levy from the proceeds obtained from the sale of each tonne of potatoes over many years, and the price paid by merchants, and finally the consumers, for those potatoes was not fixed by the Minister, either this one or any other at any point in the past. Rather, it was fixed by factors of supply and demand.

Quite clearly the price obtained by the board on behalf of the grower for the potatoes delivered to it by the grower was no more or less than the market would stand for the time that the price was in operation, before it was either changed up or down. Having been a potato grower, I can speak with some accuracy and authority on that point. The levy was always there, and it needed to be there. I supported the principle that it should be there. Clearly, there needs to be the means by which the industry, the growers' industry, can promote itself and its product to the consumer public, whoever that may be, and in whatever form it may be—whether as fresh potatoes in washed or dirty form, in whatever size, or as potatoes in some other processed form obtained from the initial efforts of the growers in husbanding the crops and bringing them to a successful harvest. The fund belongs to the growers. Therefore, why on earth do we need one public service employee who has had experience in financial management? I wonder who that will be? It will probably be one of the Minister's mates from the Public Service Association or a similar organisation.

Does the Minister really believe that successful commercial growers do not have experience in financial management? Is that implicit in the motive for his including one such person from the Public Service? If it is, then it is a slur on the capacity and abilities of the commercial growers whom he selects, and I suggest to the Minister that he ought to rethink why he is including that person. I sincerely believe that it goes to make up that number of four, which would effectively sink any grower interest that might have existed in controlling the destiny of the way in which they wished to use those funds.

The second person that the Minister seeks to appoint (and I ask the House to note this) will be a Public Service employee in the Department of Agriculture. It does not say that they must know a damm thing about potatoes. It can be one of these Mickey Mouse boys or girls that the Minister has appointed to the department.

Mr D.S. Baker: Minnie Mouse.

Mr LEWIS: I am sorry. With due regard and respect for the 50th birthday of the Hon. Walt Disney's creation, Mickey or Minnie Mouse, they need not have any qualifications or expertise in horticulture at all. They do not have to understand a darn thing about potatoes. How or why on earth does the Minister leave that definition so vague? I can only conclude that it has happened out of deliberate mischief to appoint somebody that suits his purposes and goals. I will come to that in a minute.

The next one is to have experience in management or administration. Again I ask the Minister: do not potato growers have experience in management? Do not potato growers have experience in administration? Are they incompetent in everything else except understanding the process by which sunlight and water are combined in the chloroplasts of the leaf of the potato plant to form starch and be translocated down the stems of the potato plant into the swollen reserves of starch, making up the tubers which are harvested, then marketed to the public? Is that all that they are supposed to understand?

What a reflection on potato growers! Finally, one will be a person who, in the opinion of the Minister, is a suitable person to represent the interests of the community. I do not understand what that means. Obviously, the Minister thinks that potato growers do not have the interests of the community at heart. They would be fools if they did not. They must sell their product and want to ensure that they have maximum possible penetration into the marketplace and a maximum possible demand for the commodity they are producing, and thereby a maximum price. If they therefore do not take account of the public interest in the way in which they promote their product and its benefit to their consumers, they will most certainly fail in their jobs and, if the Minister had half a wit about him, he would ensure that growers were elected for that purpose as members of this committee. They would be thrown out of office at the next election if they demonstrated that incompetence, just as he and I are accountable to our peers and the public at large in being elected to this place. So, the potato growers elected to this committee in its ideal format could be thrown out of office by virtue of the election process that they would have to face every two years.

The Minister must have clandestine motives to have made his committee comprise the people whom he has defined in that clause. It is a pity that no attempt whatever was made to define the role and function of the committee. Of itself that is a dereliction of duty. We will now find that it is at the political whim of the Minister of the Government of the day as to what this committee focuses its attention upon and how it spends its money. It would not surprise me if it did not end up sponsoring a few scholarships at the Regency Park School of Food and Catering to teach people how to cook spuds.

The Hon. J.W. Slater: A good idea.

Mr LEWIS: Being of Irish stock, as the member for Gilles is, I wonder at the necessity for that. It is quite obvious that the Minister does not want this committee to be able to administer the growers funds in the best interests of the industry that grower members would have in mind when they are elected to these positions of responsibility. He wants to do something else with the money. He wants to be able to exercise personal discretion and personal political prejudice in determining how to dispose of that money or the interest it earns, if it is ever invested.

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. E.R. GOLDSWORTHY (Deputy Leader of the Opposition): I wish to speak briefly to this Bill. We well recall the demolition of the Potato Board at the hands of this Minister.

Members interjecting:

The Hon. E.R. GOLDSWORTHY: Obviously the Minister and a number of members who blindly follow him on the back benches are not cognisant of the current state of the industry or the quality or price of potatoes. However, that is not what we are on about tonight. This is a follow-up to that debacle which was presided over by the Minister some time ago. He does not appear to have learnt much. The consultation on this Bill has been quite minimal. As I understand it, one prominent member of the industry was to receive a copy of the Bill before it came to the House. In fact, he got it after the Bill had been introduced in this place. The Minister does not appear to have learnt his lesson in relation to consultation.

The Bill confiscates to the Minister's control the funds of the former Potato Board. It is growers' money, all of which was subscribed by potato growers, yet the Minister is subsuming to himself control of that fund via this Bill. That is an entirely unsatisfactory state of affairs. If one looks at the composition of the committee, one sees in effect that it is a plaything of the Minister. He appoints the majority of members and, indeed, has taken upon himself the authority even to appoint grower representatives. I say no more, other than that that is an entirely unsatisfactory state of events, and we on this side of the House will do what we can to redress this outrageous proposal that has been put before the Parliament. We will certainly seek to redress a situation where people will not be in charge of money that they have subscribed to this fund. I am sorry to say that the Minister, in his tenure of office, does not appear to have learnt many fundamental lessons.

Mr D.S. BAKER (Victoria): I support the comments made by the Deputy Leader and my other colleague. Surely this must be one of the most cynical Bills ever introduced into this House. I would have thought that, in the normal tradition of the Westminster system, a Minister should look after the interests of the portfolio that he represents. However, in this case he is trying to filch their funds and administer them to his malcontent.

If this happened in private enterprise—with $1 million of trust funds being taken over and the directors being the majority of people who did not have the direct interest—the Corporate Affairs Commission would get hold of it and toss it out. So, it should be tossed out of this House. All those funds—the $1 million—has come from a levy on growers. There is no way that the Minister can, in any way, shape or form, convince the House that they are taxpayers funds, because they are not. They were taken from the gross proceeds of potatoes that were sold by growers at a rate per tonne—in no other way.

Those funds were used to purchase buildings and plant for the Potato Board and, when those assets were sold, that money went into the trust fund. Do not let the Minister tell us anything else because they are the facts. Every grower out there whose funds are being ripped off him by this Minister will verify that this is a fact. The contribution that has been made has in no way been supported by the Government. The Government has put in no money whatsoever to the trust fund. It is about time that the Minister realised, as the Deputy Leader said, he has not consulted the industry at all, and a lot of people will be severely affected by this whittling away of their funds.

I have been told by a reliable Government source that the cost of running this monster will be in the vicinity of $70 000 per annum. It does not take a very intelligent person to work out that, if these funds are invested at a current Government bond rate, even at today's cost of running the board, most of it will be wittled away in board costs. It takes a less intelligent person to work out that, if we look 10 years down the track, the cost of administering this trust fund will exceed the amount of interest received by it. So, these growers' funds—their hard earned levies—will be finally wittled away and the trust fund will end up not doing what it was supposed to do.

It is interesting to read clause 5 of the Bill. The Minister states that the costs associated with the establishment and operation of the committee and the payments of its members must be met from this fund. Once we get down the line a bit and are meeting superannuation costs, and so on, for public servants, it will quickly whittle away the fund. Surely it is trite for the Minister to say that we need one person who, in his opinion, is a suitable person to represent the interests of the community.

I would like to hear what the Minister considers this person can do to the potato industry in this State. I will tell members what the Minister will do. He will appoint to the board some donkey who will do his best to reduce the price of potatoes to the grower, but the potato growers in this State will end up being peasant farmers. That is the cynical type of operation that this Minister of Agriculture has already carried out many times in this State, and if we allow this Bill to pass we will see it happen again. I urge all members to throw out this Bill and to ensure that the assets of the potato growers in this State are looked after as they should be.

The Hon. H. ALLISON (Mount Gambier): By this time the Minister will have realised that several members on this side are less than satisfied with this legislation. The member for Eyre has intimated that he intends to move amendments. The member for Elizabeth drew the attention of the House and the Minister to a number of blatant deficiencies in the legislation. The members for Murray-Mallee, Kavel and Victoria have also pointed out at least two or three commonly repeated complaints about the Bill. One thing that the Minister might consider is simply to withdraw the legislation and return it to the House in a somewhat more acceptable form after he has considered it personally and consulted with the industry.

The main point at issue, which has been repeated by all members, is that the money which will be used by the Potato Industry Trust Fund is derived from the industry—the growers. Members on this side and members opposite, I am sure, will contend that control should be vested in the hands of the people who have contributed the funds to the Potato Industry Trust Fund. Majority control should not rest with those who are not directly associated with the industry, so I call on all members to support a later amendment which will provide that potato growers are in the majority on the board of this newly established trust fund and that they have control over their own destiny. Surely that would be a logical extension of the Minister's legislation to disband the South Australian Potato Board. He said that the growers should have control of their own destiny, but now the Minister wants to take control of their funds from them by giving them only minority representation on the newly established committee.

I believe that the legislation contains a number of glaring deficiencies. We are not told very much in the Bill or in the Minister's second reading explanation. In reply to the second reading the Minister may consider telling us the answers to the following questions. How much money is

currently available? For how much were the assets of the former Potato Board sold? Where are the funds currently invested? Are they invested with SAFA, for example, or are they lodged with some other fund? What is the current rate of interest? How much principal and interest is contained in that fund? Where is it currently invested? Will the principal and the interest be returned to the Potato Industry Trust Fund when this committee is finally operating?

The legislation is extremely vague. We are told the answers to none of those questions, and I hope the Minister has the answers. The legislation contains absolutely no firm instructions to the future committee on how the funds are to be disbursed or as to the purpose of the committee. Despite the fact that in the debate on the legislation that wound down the Potato Board the Minister was asked frequently to ensure that the assets of the then board would be used to further the interests of the potato growers in South Australia, he has given absolutely no instruction in that regard to the committee that is to be established. The funds could be used for agricultural or horticultural purposes for the betterment of the potato industry other than those intended. I suggest that the Minister accept the recommendations that will be made by the member for Eyre in Committee and, more than that, ensure that members of the House are fully informed about his intentions. I suggest that he remove many of the vagaries that are presently contained in the legislation.

Mr MEIER (Goyder): Mr Deputy Speaker—

Members interjecting:

The DEPUTY SPEAKER: Order! The honourable member for Goyder has the floor.

Mr MEIER: I do not know what the honourable member in cobweb corner is getting upset about, but I will try to ignore any interjections from that area. I believe that the arguments have been put succinctly by the member for Eyre as the shadow spokesman on agriculture and by other members on this side. I will not dwell on those arguments unnecessarily. However, I believe that the Minister should take particular note of two points, which I will re-emphasise.

First, surely the growers should be allowed to elect, appoint or nominate their representatives on this committee. At present, in the words of the Minister, they can make applications, which will be considered. The Minister will decide who are to be the successful contenders. It is obvious to anyone with an ounce of sense that it would not be hard for the Minister to choose those applicants who he believes will see things his way. Surely the growers should be left to choose whom they want to represent them on this committee.

Secondly, surely at the very least the potato growers should have a majority on a committee that is dealing with the potato industry and the trust funds. That is only commonsense, yet we do not see commonsense prevailing in relation to this Bill. We see that the potato growers will be in the minority. What is the use of involving them when they are in the minority? This is another clear case where the Minister is determined, having suffered a setback a few months ago, to get his way by hook or by crook. It is a great tragedy that the Minister is determined to inject another setback into the potato industry, where people have to work very hard and where they have already suffered setbacks. I hope that the Minister will take note of the proposed amendments and rethink the two issues that I have highlighted.

The Hon. M.K. MAYES (Minister of Agriculture): I have listened with interest particularly to the member for Victoria, who has again used the privilege of the House to attack and denigrate public servants, particularly officers of my department. He has probably used their advice and services over the years and has not questioned them to their face. It is always an anonymous attack behind their backs, and that is an act of cowardice. The member for Victoria is full of words in here, but he does not say much when he is outside. I invite him to do that. He may find that a defamation suit falls on him. His usual cowardly attack does not have much substance: it is a lot of huff and puff, basically to show the electors that he is ensconsed in a seat. However, he is not doing much for them. His comments about my wanting to drive farmers into a peasant state are just so ridiculous that they are not worth commenting on.

Several points should be made. First, the advisory committee will advise me as the Minister on the funds that have been collected over the years by people who may or may not be in the industry now. Those funds have been invested in the Crown and will be used to promote the industry and potatoes and to assist research—

Members interjecting:

The Hon. M.K. MAYES: I will tell members if they listen for a while.

The DEPUTY SPEAKER: Order! There will be no interjections across the floor.

The Hon. M.K. MAYES: The intention is that this particular committee should advise me on how these funds should be used to promote the industry. That is the long and short of it, and I do not think there needs to be any more debate on that issue. As to consultation, I have written to the Chairman of the CPIC on several occasions and I have outlined to him, in particular for his members' interest and information, the details of the Bill. On 12 March I wrote to Mr Mundy in these terms:

> Dear Mr Mundy,
> On Monday 2 March 1987 Cabinet approved legislation to be introduced into the House to establish the Potato Industry Trust Fund Committee. I attach for your information a copy of the Bill. In my letter to you of 8 October 1986, I indicated to you the proposed contents of the Bill. You will note that the Bill is in accord with the contents of that letter. Please note that the attached Bill will be introduced in Parliament today.

The Deputy Leader is not here but I absolutely deny any lack of consultation. The letter which was sent to Mr Mundy outlined the details I intended, and I clearly indicated how I would recommend the appointment of members to the advisory committee. This letter highlights the absolute mirror image of what the legislation contains, and I will go through it, so that there are no errors on the record, *Hansard* has it correctly, and no-one can go out in the community—which some members are often inclined to do—and misrepresent the Government's intentions.

Mr Lewis: What does 'mirror image' mean?

The Hon. M.K. MAYES: Listen and you will learn. The letter states:

> There shall be a committee called the Potato Industry Trust Fund Committee.
> The Committee shall consist of seven persons appointed by the Minister of whom three shall be growers chosen after applications have been called by the Minister for grower positions on the Committee.
> Committee members shall be entitled to receive such allowances as the Minister may determine to be paid from the assets of the Trust Fund.
> The procedure of the committee shall be such as is determined by the committee—

I think that is an important sentence to note—

> There will be provision for the Minister to be able to issue regulations under the Act on the advice of the Committee. The functions of the Committee shall be to administer the trust fund established by the Potato Marketing Act 1986 and to advise the Minister in relation to expenditures from that fund. Any costs of administering the Act which establishes the Potato Industry Trust Fund Committee shall be met from the trust fund.

I went on to say—and I am happy to read this into *Hansard* as well:

> Of the three grower members, I propose that one be appointed by the Minister from a list of the names of three elected office bearers of the Combined Potato Industry Committee given to the Minster by that Committee. The other two grower members of the Potato Industry Trust Fund Committee would be appointed by the Minister after calling for nominations from potato growers in this State.

That is exactly what the Bill provides, so I make no apologies and I totally refute—

Mr Lewis: That's piffle and you know it!

The Hon. M.K. MAYES: Mr Deputy Speaker, I will just ignore that inane comment from the other side. In the total sense I have consulted with the industry on the basis of—

Mr Lewis interjecting:

The DEPUTY SPEAKER: I call the member for Murray-Mallee to order. The honourable Minister.

The Hon. M.K. MAYES: Thank you, Mr Deputy Speaker. My intentions with regard to consultation were such that I hoped we could have presented the Bill immediately after my Party had considered it but unfortunately, because of drafting difficulties, that was not the case, and I apologise to the growers for that. I would have liked to be able to meet the commitment I gave in writing on 12 March. I note that not much has been said about current potato prices and quality (I know there were problems earlier in the season), but the situation that the consumer is now enjoying has apparently been overlooked by the Liberal Party. That will not be forgotten: I will certainly be drawing on it as days go by, remembering the price consumers are now paying and enjoying within the community.

I think it is fair to say that the industry has come to the party with regard to quality, a matter that Opposition members have raised. That reflects on their constituents to some degree, but I draw no other conclusions from that except to say that overall the free market forces, which Liberal members so vehemently advocate at every level and have made themselves hypocrites in regard to this Bill, are working quite successfully. I am happy to be able to claim the credit for that success. The member for Victoria is very free in condemning this measure, but he has not bothered to look at his philosophical, economical position; he is a total hypocrite in not doing so. I refer now to the provisions relating to the operation of this advisory committee.

I intend to have people who are directly involved and interested in this industry. If anyone suggests anything other than that, they are living on another planet, because it is important that we have people who have experience in industry and marketing so that we may draw on their experience.

Members interjecting:

The DEPUTY SPEAKER: Order! I ask the honourable Minister to resume his seat. I warn the honourable member for Victoria. This is the third time that I have had to interrupt the debate. I am not worried if the sitting has to be extended. This debate will be conducted in the proper way, and I would like the honourable member to take note that he now has won his first warning.

The Hon. M.K. MAYES: I think it is important that I also relate that I am having discussions with a prominent rural organisation in relation to representation on a particular body. That organisation advocates that a panel of names should be put forward rather than nominations from within the particular industry and that the Minister should have the right to make the final decision. The reason why they support that view is that the politics that enter some of these positions tend to deflect from the ability and the capacity of those people to represent the industry.

In effect, where there is a majority of appointees from the industry and no reference to the Minister as to those nominations, then I think the arguments put forward by the Opposition completely deflate and collapse. This industry does not have the most glorious track record in relation to its representation of community interests or the community at large. I think it is very pertinent that I pursue this process of nomination as I intend to do, so that there will be a body which will advise me. As Chairman of that body I have in mind someone who has experience both of a rural nature and also in administration and who will be most able to carry out the duties of Chairperson.

Mr Lewis interjecting:

The Hon. M.K. MAYES: The member for Murray-Mallee will be very surprised when he finds out, if he is here long enough. The member for Mount Gambier asked some very intelligent questions about the current fund. The funding as at 23 February was $1 068 124.50. It is held by the Treasury. I will have to obtain clarification as to where those moneys are invested, but I am sure that it is invested to get a return and that that return will be part of the fund, probably less some administrative charge on Treasury for managing the fund. At that date over $1 million was in the fund available for the use and promotion of this advisory committee and the promotion of potatoes inside as well as outside South Australia.

In relation to the questions raised by the member for Elizabeth, I am not sure of their thrust, but I will attempt to respond to them in a way which I think will cover it. The member for Elizabeth argues that there should be greater detail within the Bill regarding the financial management. I assure him that there is no intention other than to be accountable to Parliament, as is the case with all funds which are vested in the Crown in the ultimate test. In particular, the Auditor-General has power under the Public Finance and Audit Act to monitor and report to this Parliament under his terms and powers in relation to those moneys vested in the Crown. I see it as being a totally appropriate way and I am sure that the Auditor-General would agree with me. There is no suggestion that there would not be accountability to Parliament with regard to these funds. I wait with interest to see whether he wishes to move any amendments. I have not been given any notice of such amendments but, if he feels that something should be built into the Act, and if he feels that that is more reassuring to the community, I would have no objections to those amendments. I can assure the honourable member that everything should be aboveboard and dealt with in that manner.

I am confirmed in my view that this Bill should proceed as it is. I am aware that there may be some misgivings within the industry; I am sorry if that is the case. I will look for people to perform a function on this board that will be for the good of the community and the industry as a whole, and I can think of only one donkey that I know as a person, and I can assure the House that I will not put him on the committee.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Establishment of the Potato Industry Trust Fund Committee.'

Mr GUNN: I move:

Page 1, line 22—Leave out paragraph *(a)* and insert new paragraph as follows:

(a) four will be commercial potato growers nominated by the Potato Section of the Horticultural Association of South Australia Incorporated;

The purpose of this amendment is to make sure that the committee is controlled by those people who have contributed funds that will be administered, that is, the potato growers of South Australia. The amendment is simple and clear, and any person with an ounce of commonsense and fairness would agree that it ought to be accepted. The Minister can still have an input into this committee with the other three nominations. However, I have always believed in the principle that, where growers and their money are involved, they should have the say. I fail to understand how even the Minister could mount the argument that the money is taxpayers' funds. The information that I have been able to glean (and it has not been difficult to convince me) is that every dollar comes from the potato growers and, therefore, they should control the funds.

The Hon. M.K. MAYES: I reiterate what I said. It is important that there be a balance on this committee and the proposal before us in the Bill supports that balance.

The Committee divided on the amendment:

Ayes (11)—Messrs Allison, P.B. Arnold, D.S. Baker, Becker, Eastick, S.G. Evans, Goldsworthy, Gunn (teller), Lewis, Meier, and Oswald.

Noes (20)—Mrs Appleby, Messrs Crafter, De Laine, Duigan, and M.J. Evans, Ms Gayler, Messrs Gregory, Groom, Hamilton, Hemmings, Keneally, and Klunder, Ms Lenehan, Messrs Mayes (teller), Plunkett, Rann, Robertson, Slater, Trainer, and Tyler.

Pairs—Ayes—Messrs S.J. Baker and Blacker, Ms Cashmore, Messrs Ingerson, Olsen, and Wotton. Noes—Messrs Abbott, L.M.F. Arnold, Bannon, Blevins, Hopgood, and Payne.

Majority of 9 for the Noes.

Amendment thus negatived.

Mr GUNN: I move:

Page 1—

Lines 30 and 31—Leave out paragraph *(e)*.

After line 31—Insert new subclause as follows:

(2a) When making nominations for appointment pursuant to subsection (2) *(a)* the Potato Section must nominate—

(a) one person to represent the interests of potato growers who constitute the River and Lakes branch of the Potato Section;

(b) one person to represent the interests of potato growers who constitute the South-East branch of the Potato Section;

(c) one person to represent the interests of potato growers who constitute the Adelaide Hills branch of the Potato Section;

and

(d) one person to represent the interests of potato growers who constitute the Adelaide Plains branch of the Potato Section.

The purpose of these amendments is to allow the Horticultural Association of South Australia to nominate as a member of the committee one potato grower from each of the four regions of South Australia that are dominantly involved in the potato industry. This is a fair and reasonable amendment. If members believe in democratic representation, they should support the amendment. Although I could go on at length, I do not believe that there is any need to do so. Anyone who is fair and reasonable will accept that this is a sensible proposition, which has the total support of the industry.

Mr LEWIS: The purpose of my speaking in support of what my colleague, the member for Eyre, has just said is to clarify to the House the necessity for a representative to come from each of the predominant localities in which potatoes are produced.

It needs to be understood that during the course of any 12 month period the potatoes being supplied to the market from South Australia are not coming equally from all localities, regions or zones—call them what you will. At different times of the year different zones supply potatoes and, if there is not at least one representative on this committee from each of those zones, it could (and almost certainly would) lead to an argument and dissension within the industry, with people saying that the grower members of the committee so appointed were not giving a fair go to growers in the zones from which they did not come, and that they were in fact sacrificing the potatoes from, say, the Adelaide Plains in order to create a demand for potatoes that come from the Hills later in the year.

If the members of the committee came from, say, the Hills and the South-East, they could easily forgo any advertising and promotion whatever during the pre-Christmas and immediate post-Christmas marketing period through the summer and begin heavy promotion in, say, late January or early February through to the end of April or early May, when the Hills and South-East potato growers were harvesting their main crop. Allegations of that kind would be made, even though it could equally be argued that the necessity to conserve funds for advertising would then shift the hump—the huge quantity of potatoes that are harvested at that time of the year—so that they were gone from the market before the plains winter crop came in. Harvesting of the winter crop can begin in early June or certainly in July. If the substantial bulk of potatoes grown in the Hills and the South-East has been moved by an intensive advertising campaign, it leaves the market clear for the winter crop coming from elsewhere.

If there are no representatives from each of these localities on that committee making recommendations to the Minister (and they should be making decisions, but he will insist that he just take advice and decide himself), and if there are only two representatives coming from, say, the South-East and the Hills, allegations will be made about the decisions that they take as to where they spend the funds; that is, during what months of the year they spend the funds and with what emphasis in the advertising program.

It therefore makes commonsense to me that, if we are to ensure that this committee does administer growers' funds in the interests of the industry at large and is seen to be doing so (and, indeed, is believed to be doing so by the majority of growers in all the districts all the time), then you cannot do it by any other means.

There are other reasons for having on the committee more than the number of members presently indicated in the legislation. Research into production techniques and the development of new varieties could be the subject of contention where the varieties being grown or developed will suit, say, the growers from the Adelaide Plains and not the growers from the Hills or the South-East. If the representatives on the committee happen to come from the Adelaide Plains, then the growers from the Hills and the South-East will say, 'It is not fair, our grower representatives are wasting our growers' money and getting the Minister to engage in programs of research into new varieties which are not relevant to our needs. We should have some money spent on the development of varieties and on the development of techniques in management and cultural husbandry for our needs.' If we are to avoid that kind of thing, we need to have representatives from each of the different localities in South Australia that supply potatoes to the market here.

It is for that reason that I rose to my feet to support what the member for Eyre said and to explain to the Committee how they would otherwise be perpetrating an injustice on

the grower members of the industry whose funds we are really talking about. It is not taxpayers' money, or housewives' money or merchants' money: it is the growers' money.

The Hon. M.K. MAYES: I want to make a couple of points in relation to the general thrust of the amendment. It is important to note that on 6 November I again wrote to Mr Mundy. This is intended for the record so that my intentions are quite clear with regard to covering the areas, apart from leaving out paragraph *(e)*, which deals with having a community representative. The letter states in part:

> I agree that there is merit in your proposal that the three grower representatives on the committee each represent one of the following areas: Adelaide Plains/River, Adelaide Hills, and Upper and Lower South-East.

It is important that I record that. I look at it from the point of view of having representation from those three areas. I have no hesitation in looking at the nominations to endeavour to meet that statement. I think the intention of what I propose is included in the letter which I wrote on 6 November to Mr Mundy.

Mr GUNN: The Minister has indicated what he proposes to do. Perhaps he could explain to the Committee why a member of his staff has been ringing around parts of the State canvassing people to put their names forward. It seems to me to be a contradiction if the Minister wants to see as members people who are actively involved in the three regions. Surely those people are free to come forward of their own goodwill and volition without having to be prompted by a member of the Minister's staff. That seems somewhat to contradict what the Minister has had to say. I think that a simple explanation at this stage would add some light to the Minister's real intentions.

The Hon. M.K. MAYES: The very simple answer is that I reiterate my letter of 8 October to Mr Mundy, which states:

> The committee shall consist of seven persons appointed by the Minister of whom three shall be growers chosen after applications have been called by the Minister for grower positions on the committee.

It is totally within my prerogative to canvass any a grower who would want to go onto the committee and I make no apologies whatsoever for saying that I am interested in anyone who is in the industry notifying my office if they are interested in being on the committee. I welcome them. I go on to state in the letter:

> Of the three grower members, I propose that one be appointed by the Minister from a list of the names of three elected office bearers of the Combined Potato Industry Committee given to the Minister by that committee.

I say no more.

Mr LEWIS: What the Minister has just said is the same sort of thing as Sir Johannes Bjelke-Petersen said when he decided to appoint William Alfred Field, or whatever his name was, to the Senate in contravention of a convention. The Minister decides that because he says he will do it, it is all right for him to do it. That is the way it is. If Caesar says Caesar will, so Caesar is authorised by Caesar to do as Caesar said he would. That is the way you operate, is it? Great stuff!

The Hon. M.K. Mayes: That is the way you lot operate.

Mr LEWIS: I have just described to you the way in which you are doing it. There was no consultation whatever with the industry as to how those growers should be selected. You just decided that you would do it. Then you quote your letter as though it is the authority upon which you base your authority. What sort of an oaf do you expect me to be to accept that as legitimate? It is not democratic. I do not see that it is legitimate. It is not your money. You may be given certain responsibilities under the Act that you brought in to the Parliament last year, but it does not make you necessarily the fount of all wisdom.

The worst aspect of it is that, even though some of us may feel that we can trust you, honourable Ministers of the future may not be so imbued with the present Minister's commitment. I am addressing my remarks to the Minister of Agriculture, because he does not state in the legislation that a future Minister, or even himself at present, will be compelled to follow that course of action for ever and ever.

If it is desirable for him to have included it in the letter, why is it not desirable to include it in the legislation? Why can not the Minister answer that straight out? Further, why did he try to con the industry into believing that that is the way that it will happen, not only this year but in perpetuity, when there is absolutely no guarantee (indeed, I do not believe that there is any intention) for it to continue to happen in that way? The Minister's staff have run around soliciting nominations from growers, and, after all that, the Minister said earlier in his remarks to the House that he was going to get the Horticultural Association or at least the CPIC to nominate that panel of people from whom he would select three. The Minister has no intention of taking any notice of them. You can bet that he will put in some of his own buddies. That is what he has always done in the past and he will continue to do that in the future.

The Hon. M.K. MAYES: In fact, I intend to put in some of the member for Murray-Mallee's buddies. I want to comment on the use of the funds: I think that is the most relevant part, rather than troubling ourselves about who will or who will not be represented. I have given a clear indication of what I intend to do in the letter to Mr Mundy, and I will stick by that. I have also given a clear indication of why I have proposed what I have done in the Bill. Section 26 (3) of the Potato Marketing Act Amendment Act 1986 provides:

> Any remaining surplus shall be paid into a fund established by the Minister for the development of the potato industry.

It is very clear there what the intentions are. I think to say any more would be to waste the time of the Committee. It is intended to have people who are involved in the industry, who are concerned about it and who want to see it developed and promoted.

Mr M.J. EVANS: I am concerned about what the Minister has just said. The Minister referred to the Potato Marketing Act, referring to the fact that the funds were to be paid into a fund for the development of the industry. Can the Minister confirm that that section of the Act in fact expires once the funds are paid in? So, it is not the case that that section will control the use to which those funds are put, because, as I understand the legislation, the provision expires at that time.

The Hon. M.K. MAYES: Yes, the Act expires. The fund retains its character, though, and that, I think, is the commitment and the use for the funding which is intended for the promotion of the industry.

Mr GUNN: The Opposition has enough material to keep this debate going for a considerable time; however, at this stage I will simply indicate that we are most unhappy with the responses from the Minister. It is fairly obvious that this Bill will have to be debated at length and amended in the other place. I was hoping that we could resolve these matters here in a sensible and practical fashion, but it appears that we cannot do so. At this stage we are continuing the sitting of the House when people have made commitments in good faith for tonight, and I do not want to unduly keep people here, so I simply point out that I am particularly concerned about what we are doing.

Amendments negatived; clause passed.

Clause 4—'Function of the Committee.'

Mr M.J. EVANS: I raised this point during the second reading debate, but the Minister did not respond. I am concerned that section 26 expires and, although the Minister says that the fund retains its character, that is all it has left because there is no longer any legislative substance to its character. Clause 4 is where we ought to be setting out the matter in greater detail. I realise that we cannot go through every 'i' and 't' in which the committee will be involved, but the broad character and purpose for which the funds are to be applied ought to be more clearly stated than simply 'to advise the Minister in relation to the management and application of the fund'.

The fund only refers back to the section which has now expired for the development of the potato industry. That is far too wide an ambit for something which is dealing with funds contributed by growers and which ought to specify that the funds be used for marketing, research, promotion, advertising campaigns, or for whatever it is the Minister intends to use the funds. That will avoid subsequent discussion or arguments about whether, for example, overseas trips by members of the Minister's staff, which may involve 10 per cent of their time in the United States discussing export of potatoes, should come out of the funds. All sorts of examples could be raised where money is to be taken from the fund and where arguments could arise. To have legislation dealing with over $1 million and have almost no explicit understanding in the Bill about the nature for which the funds are to be used is very short-sighted and loses credibility in the industry.

I obviously cannot, as the Minister invited me to do, move an amendment, because I have no idea of his intentions in regard to the funds. I am sure that his intentions are honourable, but we do not know what they are—

Mr Lewis: No, they are not.

Mr M.J. EVANS: I do not share the view of the member for Murray-Mallee. It is the purpose of the legislation to set out how the money, which is not our money, should be used and not to leave it to such wide discretion, which is a short-sighted step. It is particularly the case since the Minister is not in any way bound to act on the advice of the committee. Because of that it would be more sensible to include a clear statement of what it is that we intend to spend those funds on.

The Hon. M.K. MAYES: I understand the thrust of what the member for Elizabeth is saying. I do not know how many pages we would need to encompass that in the broadest possible terms. Certainly I would be amenable to an amendment that included some statement that it be there for the development of the potato industry, or words to that effect. I am easy and relaxed about that. As to determining whether or not future Ministers' staff are allowed to take a dip of the funds for overseas trips is getting to the absurd.

Mr M.J. Evans: Hypothetical.

The Hon. M.K. MAYES: It is hypothetical under my ministry, I think. It is impossible to give other than a general statement, as I have said I am prepared to do. I have given a commitment on various occasions in statements to the industry and this House. If an amendment came down from the other place I would be quite relaxed about that, in whatever form it was, if it dealt with the general development of the industry as referred to under the Potato Marketing Act.

Mr D.S. BAKER: I accept that the function of the committee is only to advise the Minister, but can the Minister assure us that the commercial members of the potato growers will only come from the nominations submitted to him from the industry?

The Hon. M.K. MAYES: I reiterate my statements in my letter of 8 October to Mr Mundy, where I stated:

> Of the three members I propose that one be appointed by the Minister from a list of the names of three elected office bearers of the CPIC given the Minister by that committee. The other two grower members of the Potato Industry Trust Fund Committee will be appointed by the Minister after calling for nominations from potato growers in this State.

That is the extent of my answer to the honourable member.

Mr D.S. BAKER: I gather that only two will come from the nominations of the industry.

Members interjecting:

Mr D.S. BAKER: Then I will finish the question.

The CHAIRMAN: I point out to the member for Victoria that we are dealing with clause 4, and not clause 3. I cannot accept that question.

Clause passed.

Clause 5 passed.

New clauses 5a and 5b.

Mr GUNN: I move:

> Page 2, after line 12—Insert new clauses as follows:
>
> 5a. The Minister must cause a statement of the administration of the assets and liabilities of the South Australian Potato Board pursuant to section 26 of the Potato Marketing Act 1948 that has been audited by an auditor registered under the Companies (South Australia) Code to be laid before both Houses of Parliament within one month after the commencement of this Act.
>
> 5b. (1) The Minister must, at the expiration of five years after the commencement of this Act, cause a report of the administration of this Act during that period to be laid before both Houses of Parliament.
>
> (2) The report must include a statement of the accounts of the fund for that period audited by an auditor registered under the Companies (South Australia) Code.

The purpose of these two new clauses is, first, so that all concerned will know what the financial statement is. They will know how much money is available at the time that the trust is established. Secondly, these things should not go on and be allowed to grow like Topsy and continue without our having a look at them. My amendments are worthy of support.

The Hon. M.K. MAYES: I have no difficulty with putting the audited reports of the South Australian Potato Board before the Parliament. There is only one problem: we have been waiting for more than six months for board members to sign the audited report. It has been with the auditors. They are prepared to sign it but the sheer cussedness of the former board members is such that they refuse to sign it. When we have that legal document I would be happy to put it before Parliament—both Houses—with no problems at all.

We are having a slight difficulty, to which I have referred in the past, in getting cooperation from this board and in particular its responsibility to the broad community. The amendment creates no problem for me and I would be happy, when I get the appropriate document signed by board members and the auditors, to put it before Parliament. At this time the amendment is superfluous and somewhat unusual in its nature, understanding of course that we are in the unusual circumstances of winding up a statutory body. I can give an undertaking that as soon as I get the final audited report with the signatures of board members on it I shall be happy to put it before Parliament.

New clauses negatived.

Clause 6 and title passed.

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

That this Bill be now read a third time.

Mr LEWIS (Murray-Mallee): As the Bill comes out of Committee, it is totally unacceptable. It does not have my support not only for the reasons I gave earlier but also because the Minister has failed to satisfy me and other members that, in connection with the method of administering the funds, there will now, in any way, be accountability through the legislation. The legislation simply gives the Minister *carte blanche* to do whatever he ruddy well likes with the money, and to hell with the growers' interests. It is not spelt out anywhere in the Bill.

The Minister admitted, in reply to a question put to him by the member for Elizabeth before I had the opportunity of asking the same question, that, at the time the Act (if the measure passes both Houses in its present form) comes into power, the Potato Industry Act as it was, goes out of existence.

There is no compulsion on the Minister to use these funds in any way, shape or form other than as he decides on whim or inclination. He can completely ignore the advice of the committee, which is a committee of his own creation in any case. The committee will not in any sense represent the growers' interests, but it is the growers from whom the funds come in the first instance. I do not see that this is in any sense legitimate or democratic legislation which we as a Parliament can rest easy in passing in its present form. I am utterly opposed to it.

Bill read a third time and passed.

ADJOURNMENT

At 6.47 p.m. the House adjourned until Thursday 19 March at 11 a.m.