HOUSE OF ASSEMBLY

Wednesday 17 February 1988

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

PETITION: TOBACCO PRODUCTS

A petition signed by 88 residents of South Australia praying that the House urge the Government not to increase taxes on tobacco products in order to fund anti-smoking campaigns was presented by Mr De Laine.

Petition received.

PETITION: SHOP TRADING HOURS

A petition signed by 58 residents of South Australia praying that the House reject any proposal to extend retail trading hours was presented by Mr S.G. Evans.

Petition received.

PAPERS TABLED

The following papers were laid on the table:

By the Minister for Environment and Planning (Hon. D.J. Hopgood):

Planning Act 1982—Regulations—

Development Controls, Exemptions and Consultations

Crown Development Report on Department for Community Welfare Receiving Home at Enfield.

MINISTERIAL STATEMENT: ASH WEDNESDAY BUSHFIRES

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

Leave granted.

The Hon. R.G. PAYNE: In Question Time yesterday, the member for Alexandra sought information from me in relation to the settlement of claims against ETSA from people who suffered losses in the McLaren Flat and Clare fires in 1983. While I suggested in my response to his question that the percentage of settlements in the case of McLaren Flat was higher than the figures he used, I was not able to recall the latest figures from Clare, and I undertook to obtain them for him. This morning I have had the chance to check both sets of figures, and the situation is as follows.

In the case of McLaren Flat, the trust has knowledge of 106 claims, but in fact has received to date only 98 claims. I mentioned yesterday that the claims in some cases have not yet been received. Of the claims received, 68 have been settled or, in percentage terms, that is just under 70 per cent. I think that I was in error yesterday; from my recollection I said about 75 per cent.

In addition, a further 10 offers have been formulated and are being considered by a panel comprising an officer of ETSA, a representative of the trust's assessors and a representative of the assessors for the combined insurers. Seven properties remain to be inspected; three offers have been made and are being considered by the claimants; seven offers are still being formulated and one offer made has not been accepted and ETSA has paid the amount into court. That is the procedure that applies in those sorts of matters. In the case of Clare, 90 claims are known to the trust but to this time only 42 detailed claims have been submitted. I mentioned that, in general, that is the situation that applies in a number of those areas.

Five claims have been settled but another 40 first offers have been made by ETSA. However, it should be noted that 35 of these first offers have been made in response to claims from insurance companies that have already paid out to their clients. I think that everyone would agree there is some sort of settlement there. So far no detailed claims have been received from Clare fire claimants who are legally represented, and I referred to that aspect yesterday also.

QUESTION TIME

TAXES ON SUPERANNUATION

Mr OLSEN: Will the Premier seek an undertaking from the Prime Minister not to introduce any new taxes on superannuation? Today's national media headlines highlight a further attempt by the New South Wales Premier to distance himself from the Hawke Government. For example, 'Premier puts PM on the spot', is how the Melbourne *Age* has recorded Mr Unsworth's announcement that he will press this week for a commitment that there be no changes to the tax treatment of superannuation to preserve the rights of those who have saved all their working lives to provide for their retirement.

Mr Unsworth is to raise the issue at Friday's meeting of EPAC—a body of which the Premier is also a member. Following Mr Unsworth's admission on Monday that Labor is behind in New South Wales, there is no doubt he would welcome the South Australian Premier's support on Friday for this latest bid to dump Canberra's high taxing policies, as would all recipients of and contributors to superannuation.

The Hon. J.C. BANNON: I am not directly involved in any way with the New South Wales election, but I am certainly obviously aware of the statements that Mr Unsworth has made. I have a great deal of sympathy with those statements, but let us put this in perspective. The Commonwealth review which is taking place was announced last year, and in fact has been going on for some time. What has brought this to a head are major changes to the corporate tax system in particular that have been made in New Zealand. They got front page headlines—'Drastic reduction in corporate tax rates' and so on. There was speculation that businesses were going *en masse* across the Tasman to locate in New Zealand because of the favourable tax treatment there and so on. As is often the case in these situations, the headlines and the exterior impression were somewhat misleading. It is true that quite radical changes in tax rates have been made in New Zealand, but they have been accompanied also by a drastic reduction and elimination of various concessions and other valuable benefits that are contained within the tax system.

So, in fact, I suspect that a business thinking of dashing across the Tasman to take advantage of these new rates might think twice if it actually sits down and has a look at the comparative differences under the existing tax regime in Australia with those of New Zealand. Why that is relevant is that that has precipitated great speculation in Australia about the need to make similar drastic tax reductions. The question that is raised next is: How will you pay for them? The answer is: If we are to pay for them in the same way New Zealand has, we will start eliminating a whole range of concessional payments and place a tax on invest-

ment funds for superannuation. A changed tax treatment of lump sums for superannuation is one of the means by which they could be paid for, because that is how they have done it in New Zealand.

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: I am trying to educate the Opposition a bit because they are very happy to jump around on what is an extremely complex issue. I began my answer to this question by making it fairly clear where I stood. Let me state it again. If there are to be major tax changes in Australia arising out of this review which affect the treatment of superannuation funds, then there would have to be some very substantial benefits to superannuants as a result, otherwise it would be an extremely unfair situation. That, I think, is the important issue that has to be addressed by EPAC or any other body that is considering it. Mr Unsworth has said that because of the complexity of this, it is better to leave it alone, to kill it off completely.

While that has considerable attraction—and as I say, if on balance I was pressed I would favour that approach—equally, I think, because of all the other things that relate to these taxes and because of the need to change rates, we should be able to look at an overall package. However, I repeat: if a changed tax treatment of investment funds does not in turn yield benefits for superannuants as well as other sections of the community, we should not have a bar of it.

FIREARMS

Mr RANN: Will the Minister of Emergency Services consider extending the current amnesty on illegal and unlicensed firearms? The South Australian police recovered more than 300 firearms in the five weeks following the current gun amnesty which was publicised just before Christmas. I understand that these firearms included 30 semi-automatic weapons, 13 sawn-off shotguns, 11 revolvers and 13 high-powered weapons. It is estimated that tens of thousands of illegal and unlicensed weapons are stored in homes and sheds throughout South Australia. These weapons are easy prey for children and housebreakers. I understand that the police will not prosecute people who hand in these weapons unless they are believed to have been involved in a crime. It has also been put to me that the Opposition is confused and divided on the firearms issue and is telling a different story to the different sides of the current debate.

Members interjecting:

The SPEAKER: Order! The last remark from the member for Briggs was clearly comment. On the other hand, the Chair is in a difficult position in having to reprimand the member for Briggs for the comment in view of the amount of comment and debate that was used by the honourable Leader of the Opposition.

The Hon. E.R. GOLDSWORTHY: On a point of order, Mr Speaker, if the Leader of the Opposition transgresses in this House I think it would be the unanimous view of all members that he should be pulled up then and not referred to later in the proceedings in the fashion which you seek to do. If the Leader transgresses he should be pulled up on the spot, and not with the sort of lecture which you dish out when you are reprimanding some other member. I for one take offence at that sort of treatment.

The SPEAKER: The Chair will take on board the point of the honourable Deputy Leader and make reference to it at a later stage. The honourable Deputy Premier.

The Hon. D.J. HOPGOOD: At the honourable member's urging I will take up the matter with the Commissioner and be guided by his advice as to how far, if at all, the amnesty should be extended. I have to make the obvious point that if there is to be an indefinite extension of the amnesty it will take away the incentive for weapons to be surrendered under the amnesty. As the honourable member indicates, there has been quite a healthy response to the amnesty—

Members interjecting:

The Hon. D.J. HOPGOOD: I am sure it would be a complete waste of time for a select committee, if such a select committee should be visited upon us. I simply make the point that the amnesty will only work where there is an incentive to return weapons and such an incentive must involve at some stage the fact that the amnesty will come to an end.

The honourable member makes peripheral reference to certain policies that have been enunciated by the Opposition. Without unduly taking up the time of the House I will simply take this opportunity, which may save the House some time later on, of pointing out that, amongst some of the shortcomings that I see in the announcement which seems to have been rather hastily cobbled together by some members opposite, there is no indication of whether there will be a specification of certain types of firearms that should be more stringently controlled. I am sure that the shooting organisations with which I have had a great deal of discussion—

Mr S.G. Evans interjecting:

The Hon. D.J. HOPGOOD: I do indeed, Sir, and I would be only too happy to tell the honourable member at the appropriate time in the House—

Members interjecting:

The SPEAKER: Order!

The Hon. D.J. HOPGOOD: —what we will be doing, because a Bill will be brought into this place in very short order. Indeed, members opposite will have the opportunity of examining it in advance of its introduction into the House, as is perfectly proper. I will make sure that the honourable member for Davenport is not missed out in this matter.

The new offence of carrying a loaded firearm without prior approval is in part a lift from Government policy, except I think it makes it more onerous on the person involved rather than our policy where lawful excuse is all that need be pleaded in the courts. I think that there are people in the shooting organisations who will be very concerned about the onerous burden that would be visited upon them in relation to this matter. Then it goes on to talk about imports. I simply advise members that imports and those things are the responsibility of the Commonwealth Government, which has already spoken on this matter. We can say what we like about those matters, but it will be controlled by the Commonwealth and not by this Parliament.

URANIUM

The Hon. E.R. GOLDSWORTHY: In view of the Premier's statement in his 1985 election policy speech when he said, 'We are strongly backing the development of Roxby Downs, and we are ensuring that South Australian industries gain maximum benefit from this project,' will he oppose moves to stop Western Mining Corporation negotiating to sell uranium to France? Uranium pruduction from Roxby Downs is due to begin in July. I understand that Western Mining Corporation has been negotiating in all potential markets for sales including France, which has one of the world's largest nuclear reactor programs. However, these

attempts to improve the viability of the mine, and therefore enhance its benefit to all South Australians, could be jeopardised if the Federal Labor Party caucus decides to approve the motions it is now considering.

The motion calls for a ban not only on sales to France, but also on any negotiations with France to seek longer-term contracts. Any such move would represent a further significant impediment to the development of an Australian uranium industry, which presumably the Premier supports given his endorsement of the world's largest uranium mine, which of course he now recognises is not a mirage in the desert.

An honourable member: Comment!

The SPEAKER: Order! I caution the honourable Deputy Leader in particular against making such comment.

The Hon. E.R. GOLDSWORTHY: It is a plain fact, Mr Speaker—

The SPEAKER: Order! I have pointed out to the House on more than one occasion that a statement of facts strung together nevertheless constitutes debate. I do not know what members think they are doing when they are debating matters in the House if it is not stringing facts together in such a way as to present an argument. The honourable Deputy Leader.

The Hon. E.R. GOLDSWORTHY: Thank you, Mr Speaker. It is not always fact; it is not a mirage any more. A report in today's *News* reveals that the Premier's centre-left faction among the many warring factions of the Labor Party has criticised Mr John Scott MHR—a prominent member of the left—for his public opposition to sales to France during the Adelaide by-election campaign, suggesting that he now recognises the importance of reaching agreement with France on sales of uranium under the same safeguards that apply to the contract approved by Federal Cabinet last month.

The Hon. J.C. BANNON: First, let me refer to the factual position, the marketing strategy of Roxby Downs for the uranium component of what is, as we know, a mixed mine, containing extremely large deposits of copper, gold, rare earths as well as uranium.

Members interjecting:

The Hon. J.C. BANNON: I know that it suits the Deputy Premier to concentrate only on that facet because he wants to make political mischief out of it, and that is fair enough. I am prepared to accept it.

Members interjecting:

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

The Hon. J.C. BANNON: My position and record is clear in relation to Roxby Downs. In the interests of this State Government, I took it to every forum in Australia and argued and was able to successfully argue the case. Let me get back to the point: as far as I understand the marketing strategy of Roxby Downs in relation to the uranium component, it has so far succeeded in writing contracts with the Swedish power generating authorities and the British power generating authorities. It is in an advanced stage of negotiation in Japan and a breakthrough there, pinned down in contractual form, will be a very important economic boost to the future and the viability of that project. All of those contracts have my support because they are dealing with countries that are signatories to the various nuclear safeguard arrangements that have a proven track record of conformity in this area. Of course, ultimately my approval is irrelevant in the sense that those licences have to be approved at the Commonwealth level and not by the State.

But, nonetheless, I am happy about it. It may be that, as part of the overall marketing strategy, France as a customer country is a possibility but, as I have said in this place previously, I do not believe that it would be appropriate for contracts to be signed with France while that country continued to remain outside the international compact of nations in terms of the control of nuclear energy and nuclear materials. Does the Deputy Leader of the Opposition believe that that is not a reasonable position and one that represents the feelings of the Australian community?

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: I would say that he is very much out of touch in relation to that matter, that the important fact that France is not prepared to subscribe to those protocols and to demonstrate its *bona fides* in this area should mean that Australia should not approve of contracts with that country unless such contracts have already been signed and sealed.

Members interjecting:

The SPEAKER: Order! I call the Deputy Leader of the Opposition to order for persistent interjections.

The Hon. J.C. BANNON: That was my position when this matter was raised previously and it remains my position. I suggest again that it is one that the broad community would strongly support, whatever the controversies about uranium and nuclear energy at base. However, I repeat again, as I did when this matter was last raised for the mischief making purposes of the Opposition, that it is not affecting Roxby Downs, marketing strategy or its economic viability. That project is on stream and on cost, and we hope that this year we will see the benefits of that production beginning to flow to this country.

Members interjecting:

The Hon. J.C. BANNON: Indeed, my colleague the Minister of Mines and Energy points out that it is actually ahead of schedule. It is going very well indeed and this State Government has fulfilled every obligation in the indenture. If you do not believe that, go and have a look on site and you will see just how well we have done it.

The SPEAKER: Order! The Premier should direct his remarks through the Chair and not refer to honourable members opposite as 'you'. The honourable member for Fisher.

TECHNOLOGY PARK

Mr TYLER: Can the Minister of State Development and Technology say whether progress has been made into the feasibility of establishing a second technology park that would be located in Adelaide's southern suburbs? In April 1987 I asked the—

The SPEAKER: Order! The honourable member for Mitcham has a point of order.

Mr S.J. BAKER: I think there is a Question on Notice under my name that covers this matter.

The SPEAKER: I will return to the question from the honourable member for Fisher after I have consulted on its exact wording. The honourable member for Henley Beach.

LOCAL GOVERNMENT ALLOWANCES

Mr FERGUSON: Can the Minister representing the Minister of Local Government say whether there has been any consideration of increasing the maximum expense allowance for elected local government members? Regulations which established an expense allowance of a minimum of $300 and a maximum of $1 200 for an elected local gov-

ernment representative were gazetted on 2 August 1984. The inflationary spiral since then has strongly eroded the maximum figure determined at that time. Statements were made during the debate on the local government legislation, and recorded in *Hansard*, that a review of these figures would take place in due course.

The Hon. G.F. KENEALLY: I thank the honourable member for his question. As Minister of Local Government at the time, I recall, when this matter was before the House, giving that undertaking to members. I would hope that my colleague the Minister of Local Government is looking at the possibility of increasing the maximum expense allowance available for local government members. I took issue at the time with those people who opposed paying elected local government members an appropriate expense allowance, because I considered then, as I do now, that individuals should not be substantially out of pocket from serving their community.

If that is the case, it prohibits some people from standing for local government, and all members of the community should have access to that level of government. I hope that my colleague the Minister of Local Government shares my strong commitment to extending the maximum expenses allowable to people who serve in—

An honourable member: She does.

The Hon. G.F. KENEALLY: I thank my colleague for assuring me that she does.

Mr Lewis: You have already discussed it in Cabinet and the Party room and made up your mind.

The Hon. G.F. KENEALLY: The honourable member for Murray-Mallee is wrong on all counts. I will refer the matter to my colleague and bring down a report for the honourable member.

ISLAND SEAWAY

Mr INGERSON: I direct a question to the Minister of Transport. Since the *Island Seaway* went into service last November, what is the estimated cost of modification and repair work, including the further work to be undertaken during the next month on the steering and ventilation systems, and how much revenue is being lost as a result of the vessel's failure to maintain its scheduled service and to carry stock on the lower deck? The media reported today that the *Island Seaway* requires further modification and repair work and will need to be taken out of service again, suggesting a further escalation in its cost to taxpayers which was initially put at $11.7 million but is now at at least $21 million.

This problem is being compounded by a loss of revenue, particularly because the vessel has been unable to carry stock on its lower deck since mid November as a result of failures in the ventilation system, which has still to be repaired. Reports that the fins, which were fitted late last year to correct steering problems, are also failing raise the distinct possibility of indefinite disruptions and delays to the *Island Seaway* service because of the major faults in the initial design of the vessel.

The Hon. G.F. KENEALLY: In response to an earlier question, the Premier said that there is a degree of mischief making taking place in the Opposition. Any South Australian venture, whether it be at Roxby Downs or shipbuilding, will be criticised by the Opposition.

Members interjecting:

The SPEAKER: Order!

The Hon. G.F. KENEALLY: The one thing that Opposition members do not want South Australia to get credit for is the capacity to manufacture and develop. If this negative attitude, which the Opposition has adopted for years, were to permeate through the industrial and commercial world in South Australia, it would be a sad state of affairs indeed. Thankfully, neither the Government, which has a very progressive attitude towards South Australia's technical capacity, nor the community at large will be influenced by the negative rubbish that is traditionally thrown up by the Opposition.

I will deal with the issues raised by the honourable member. First, the *Island Seaway* has cost the South Australian Government, or the community, $16.2 million. That figure comprises the cost of the vessel plus a provision for contingencies, which includes modifications.

Members interjecting:

The Hon. G.F. KENEALLY: Members opposite laugh. They have no idea at all about the cost of the vessel and what the contract includes. The $16.2 million is the cost to the taxpayers of South Australia. If a private company builds a boat, it is eligible for the shipbuilding bounty, and so is the Government. Secondly, what the people of South Australia and members opposite should understand (and if the shadow Minister of Marine has not told his colleagues, he ought to) is that the *Troubridge* was taken out of the water annually, placed in dry dock and surveyed. That took between a week and a fortnight, so for that time every 12 months the *Troubridge* was out of service. There is no comment from the Opposition on that. The modifications and work done on the *Troubridge* over a period have been far in excess of what has been done on the *Island Seaway*, other than those modifications of which the community has been aware and which the Government announced some months ago.

All the stock that the people of Kangaroo Island wanted to ship to the mainland has been shipped. Whether that stock was shipped on the lower or upper deck makes no difference. The local farmers' and stockowners' needs were met by the *Island Seaway*, and that is a factor that members opposite should consider. They should not worry about making all this carping criticism but about whether or not the *Island Seaway* has fulfilled its charter to the people of Kangaroo Island—at a cost to the taxpayers of South Australia, I point out—and it has met that charter. The *Island Seaway*, apart from not being able to berth during a force eight gale at Kangaroo Island—

Members interjecting:

The Hon. G.F. KENEALLY: Members opposite once again laugh. They know more about what happens on the *Island Seaway* than its skipper. We have all these experts opposite who know nothing about the *Island Seaway*; otherwise we would not get these ridiculous allegations. With both stock and cargo being transshipped to Kangaroo Island and back to the mainland, we are meeting our revenue targets. We have one problem that some people involved in tourism on the island have indicated to the Opposition. I am not too sure how many, but some of them say that the consistent downgrading of the *Island Seaway* by members opposite and a few other commentators has affected tourism on the island. I will get those statistics for the honourable member.

The last point has been made in this House previously, and members opposite should take account of it. These people are much more experienced in shipbuilding than we are. Obviously the press and the Opposition are not aware of what it means to trial a new ship or of modifications that might flow from that, but since we lost our shipbuilding capacity in South Australia there is some sort of hysteria about the *Island Seaway*. It is a good ship, designed

privately, built privately and run privately. Members opposite are not criticising the Government; they are criticising the private sector, which has served this State well and will continue to do so.

I make one other comment, and I have made it before: when the contribution to this State of the member for Bragg and other critics opposite are long forgotten, the *Island Seaway* will still be providing a very good level of service to the people of Kangaroo Island. That is what it is chartered to do, and that is what it is doing. As soon as members opposite stop this criticism of South Australian technology, capacity and workmanship, then they, with the Government, will be promoting South Australia as a place where industry can come to develop and where jobs can be created to the betterment of our economy.

Members interjecting:

The SPEAKER: Order! Having had time to examine the question posed by the honourable member for Fisher and Question on Notice No. 587 from the honourable member for Mitcham, I am of the view that the question of the honourable member for Fisher is in order, since it deals in very general terms, whereas the question from the honourable member for Mitcham is extremely specific. The honourable member for Fisher.

TECHNOLOGY PARK

Mr TYLER: Will the Minister of State Development and Technology advise the House whether there has been any progress into the feasibility of establishing a Technology Park that would be located in Adelaide's southern suburbs? Members will recall that, in April 1987, I asked the Minister to have the board of Technology Park investigate the possibility of a southern suburbs Technology Park. The Minister at the time advised the House that, as a result of the stunning success of the Technology Park located at the Levels, he had asked the board of the Technology Park Adelaide Corporation to examine the feasibility of establishing other centres.

The Hon. LYNN ARNOLD: I thank the honourable member for his question and certainly acknowledge the key role he has played in promoting the concept of a science or Technology Park facility for the southern suburbs. The strong support he has given for this was the reason it went to the board of the Technology Park Adelaide Corporation, which then recommended to me as Minister of State Development that that matter was worthy of further investigation. I put to Cabinet, and Cabinet agreed, that a further feasibility study should be undertaken on establishing a park near Flinders University. That feasibility study is still under way. I understand, of course, that the timing of any decisions that may come from that are the subject of the specific question asked by the member for Mitcham, but there are some general issues here that are very significant.

Two separate sets of questions need to be answered. First, is there basic land availability in that area; and, if land is available, who owns it and what arrangements would have to be made for the transfer of land titles or the purchase of land? I can advise that it appears optimistic on that count. There is a 47 hectare allotment in the area, much of which is owned by the Government, and it would appear to be possible under certain circumstances for retitling to take place, so that matter is probably reasonably close to some kind of decision. The next question is: once having determined that land is available, whether or not such a science park or technology park would be viable; whether or not it would be attractive to industry wanting to locate there; whether or not it really is a site that we need for commercial technology purposes. In that context, I want to congratulate the member for Fisher for the work he has done in promoting the concept around his area.

I received just yesterday an approach from a business very interested in considering the location of a biotechnology enterprise in that area. That joins another firm which has also contacted the Technology Park Corporation with respect to a biotechnology investment. So, already we have two indicators of interest, and that is long before any actual titling of the site has taken place. Although that is not a guarantee that everything will run smoothly, it does indicate some level of demand in South Australia for a facility for biotechnology industries where we can develop that kind of synergy that takes place among other high tech industries at Technology Park.

It is interesting that biotechnology is the one that comes up: it certainly seems to be one that would be a key element of any southern science park. I am pleased to announce that the Federal Government has given the latest grants in biotechnology and, again, South Australia has fared very well. In the most recent grants for which there were 44 applications for biotechnology grants, with only seven successful applicants, two of those seven are South Australian firms, and four of the seven are not State specific: only three are Territory or State specific, and two of those three are South Australian firms, as I have said. That is an indicator of the level of expertise we have in South Australia. One firm is to deal with the development of microbial control agents for insect pests, and the other is for the development of diagnostic kits for plant diseases.

This indicates the significant advances that South Australia has made in these areas, and I want to congratulate both the University of Adelaide and the collaborative work it is doing with Coopers Animal Health Australia Limited for the $375 000 they have received, and also the CSIRO Division of Plant Industry, in association with the University of Adelaide and their commercial collaborator, Bresatec, for the $150 000 they have received for the diagnostic kit. This indicates that there is a momentum in South Australian biotechnology. I hope that the feasibility studies under way with respect to a southern science park can take that an extra stage further and that announcements can be made at the earliest possible opportunity at which time dates can be provided for people like the member for Mitcham.

ISLAND SEAWAY

The Hon. P.B. ARNOLD: Can the Minister of Marine say why the Government ignored concerns raised in both 1984 and 1985 by Captain David Gibson about the performance and safety of the *Island Seaway* prior to the Government proceeding with the $21 million construction of the vessel, and why the Government also ignored advice that the seaworthy *Troubridge* could undergo a complete refit for approximately $6 million?

In a letter to the Director-General of Marine and Harbors in December 1984, Captain Gibson said the speed of the proposed *Troubridge* replacement vessel should be reassessed. Captain Gibson pointed out that it would be 'a retrograde step' for the replacement vessel to take longer on the journey between Port Adelaide and Kingscote. Minutes of a meeting of the Transport Committee examining the *Island Seaway* held on 8 January 1985 reveal that Captain Gibson was present and again raised his concern that the *Island Seaway* was underpowered. The minutes of that meeting state:

Captain Gibson then spoke at the chairman's invitation and covered the following points:

(a) 11 knots is not an adequate speed.
(b) 17 knots would be more desirable on a replacement vessel.
(c) This would allow more time in port for turnaround.
(d) More power would be a desirable factor as regards safety of docking.
(e) Bow thrusters of the proposed ship are most inadequate.
(f) Possibility for two trips a day if the vessel was capable of 17 knots.

Despite Captain Gibson's view that the *Island Seaway* should be powered at more than the average speed of 13 knots attained by the *Troubridge*, the Minister announced in April 1986 that the contract had been signed and that the vessel would give a service speed of 11 knots. I have also been advised that, at the time the Government was considering the future of this service, it was urged to look into the possibility of a complete refit for the *Troubridge*. I am advised that for about $6 million the *Troubridge* could have been refurbished and refitted to allow her to maintain the speeds recommended by Captain Gibson. This would have maintained a more reliable service at a saving to taxpayers of at least $15 million.

The Hon. R.K. ABBOTT: I thank the honourable member for his question. I suppose that we could ask why Captain Gibson on some radio programs indicated that the *Island Seaway* is quite adequate and he is quite happy with its performance and operation. There has been no pressure whatsoever from the Government on Captain Gibson.

Members interjecting:

The SPEAKER: Order!

The Hon. R.K. ABBOTT: Captain Gibson made some of those comments back in late 1984 or 1985, and the Department of Marine and Harbors took his comments into consideration. It was a question of cost.

Members interjecting:

The Hon. R.K. ABBOTT: We could have spent a lot more money making the *Island Seaway* as powerful as the *QE2*, but it was a question of saving money and making it adequate for the Kangaroo Island service. The honourable member claims that it is underpowered, because it can travel only at 11 knots. That speed is correct; that is what was planned, and that is the speed at which the vessel can travel. But it was a question of cutting back on cost, the operating cost.

Members interjecting:

The Hon. R.K. ABBOTT: The cost of the *Island Seaway*, as the Minister of Transport pointed out, is approximately $16.2 million.

Members interjecting:

The SPEAKER: Order! I call members on both sides of the House to order. The honourable Minister.

The Hon. R.K. ABBOTT: The media insists on saying $21 million and the Opposition is following that comment.

An honourable member: But it is true.

The Hon. R.K. ABBOTT: It is not true. The facts are that it cost $16.2 million.

Members interjecting:

The SPEAKER: Order! The honourable Minister and members opposite are proceeding to debate the question. The Minister is attempting to give a reply, he has been repeatedly interjected upon, which is a breach of Standing Orders, and he is then also not in compliance with Standing Orders in responding to those interjections. The honourable Minister.

The Hon. R.K. ABBOTT: The *Island Seaway* is quite adequate for providing the service to Kangaroo Island farmers and the population on that island. All the critics are going to be very brokenhearted in the long run when they find out that in the end this vessel is coping adequately with that service and there is no pressure at all from the Kangaroo Islanders, who are quite happy with the service that is currently provided. It is common knowledge that the modifications to the ventilation system had to be made anyway.

Members interjecting:

The SPEAKER: Order! The member for Chaffey has asked his question. He does not get a supplementary one.

HABITUAL CRIMINALS

The Hon. JENNIFER CASHMORE: Will the Minister of Correctional Services ask Cabinet to review and reverse its decision to take away from the courts the power to order habitual criminals to be detained at the Governor's pleasure? Legislation proposing to remove this power has provoked widespread concern amongst police, judiciary and the public. A case which has been brought to the attention of the Opposition highlights this concern. It relates to a man now detained in a South Australian prison who has a 20 year record of serious sex offences—most of them involving boys. In 1963 he was convicted in New South Wales on two counts of attempted buggery and five counts of indecent assault, and sentenced to 2½ years imprisonment with hard labour on each count.

Soon after his release in 1966, he was convicted in the Australian Capital Territory of buggery, attempted buggery and indecent assault, and was sentenced to 6½ years with hard labour. Again he reoffended very soon after release and in the Northern Territory in 1972 he was sentenced to seven years imprisonment on each of nine counts of attempted buggery and declared an habitual criminal. He offended most recently last year and was sentenced to be detained at the Governor's pleasure in the South Australian Central District Criminal Court on charges of rape and indecent assault involving a 12-year-old boy.

Psychiatric evidence given during the hearing of these latest charges described this man as a 'monster' who would probably offend again immediately after he was released. The sentencing judge, in deciding that he should be detained indefinitely, referred to the fact that, while the Mitchell report had suggested that the law relating to the detention of an offender at the Governor's pleasure be changed, both major Parties had been in power since this recommendation in the early 1970s and had not acted on it, leading him to conclude that Parliament had decided that it was an appropriate weapon that should be used to combat crime and to protect innocent people.

Concerns about this matter being expressed to the Opposition have been heightened by the possibility that the Government may also move to allow cases like the one I have mentioned, where serious, habitual offenders are already under indefinite detention, to have their sentences referred back to the courts for consideration of their release.

The Hon. FRANK BLEVINS: Mr Speaker, that question ought properly to have been directed to the Attorney-General, and I will see that it is.

The SPEAKER: Order! Due to the Chair being distracted by interjections, I inadvertently gave the call twice to members on my left. The next two calls will be given to members on my right. The member for Albert Park.

EDUCATION IMPROVEMENTS

Mr HAMILTON: Thank you, Mr Speaker, I thought I had done something to offend you, Sir.

Members interjecting:

Mr HAMILTON: It might well have been the rabble opposite that distracted you, Sir. Can the Minister of Education provide the House with details and facts that illustrate the improvements that have been made in South Australian schools in recent years? Will the Minister answer the allegations that the Government plans to adopt Liberal Party policies for public education? I would hope that would not be the case.

The Hon. G.J. CRAFTER: I thank the honourable member for the opportunity to place on record some facts that seem to have been lost in the current industrial dispute. His question also gives me a chance to ask Opposition members about their own policies on education, because they have been silent indeed on the current issue. I think that we should hear a little from a Party that parades around this country on the platform of small government, saying that it will achieve such small government and at the same time reduce taxes by eliminating inefficiency, waste and mismanagement in the system. Here we are faced with an industrial dispute that will cost the taxpayers of this State $20 million or more, and there is an opportunity, in accordance with the directions laid down by the Arbitration Commission, to achieve efficiencies, to eliminate unsatisfactory work practices, and indeed to improve the working lot of teachers and education overall in this State. However, what do we hear from the Opposition? Very little, if anything at all.

This is not the first time that the Opposition has had trouble enumerating its policies in the field of education. Indeed, I recall a couple of years ago when the national council of the Liberal Party met in Adelaide to formulate its policies and it decided by a clear majority that it was strongly in favour of the introduction of tertiary fees in this country. So, the press went to the Liberal shadow spokesman on education in this State and asked him for his reaction to that policy, and he simply said that he opposed it. That is the contradiction that faces the Opposition in the field of education and that is why Opposition members are so silent at this time and indeed at other times when their polices could be put to the test. Their record is clear. We saw it between 1979 and 1982 in this State and now, in difficult economic times—difficult not only for the Government but also for the community, business and individual families.

I wish to place on record some of the achievements that this Government has made in education. One of the real indicators in this regard is the retention rate in our senior secondary schools. This year 62 per cent of our students are staying until year 12, which is 9 per cent above the national average. Indeed, last year the figure was 53.5 per cent, whereas in 1982, the final year of the Liberal Government in this State, the figure was an unbelievably low 34.3 per cent. Each year we have put more resources into our schools in terms to be measured by pupil-teacher ratios and the cost to us of providing education for each student. During the current year, it is costing $3 500 to educate each child in our schools—$80 more than last year.

Average pupil-teacher ratios are often taken by many people as an indicator of the quality of education in a community. In 1987 the pupil-teacher ratio in primary schools was 16.3 and in secondary schools 11.8. In 1982, however, the figures were 18 in our primary schools and 12.2 in secondary schools. So, South Australia is above the national average and we have made substantial improvements in that area.

Similarly, there has been a substantial reduction in class sizes in this State. We have retained more than 600 positions in our schools, freed up as the result of the enrolment decline, and this has provided an enormous fillip for our schools. As the Premier said yesterday, for the past two years we have put 100 new ancilliary staff positions into our schools, all improving the quality of education in this State. The number of language teachers in primary schools has trebled over the past five years and we are now feeling the effect of this important program in our schools.

This year, the Government has increased by 10 per cent the allowance for disadvantaged students and a whole package of programs at the State and Federal level provides assistance to low income earners to ensure that their children can participate fully in education programs in our schools. The facts are on the record. Improvements have been made and will continue to be made in our schools whilst we are in government.

WEST TERRACE CEMETERY

Mr DUIGAN: Can the Minister of Housing and Construction advise the House whether there are reasons why the West Terrace Cemetery cannot be locked at night and whether there is any possibility of increased police patrols in the area?

Members interjecting:

The SPEAKER: Order!

Mr DUIGAN: Recently there has been a wave of vandalism in the West Terrace Cemetery and a number of tombstones of significant historical and family importance have been destroyed. While I am aware that a resident caretaker is available on site, that does not act as a deterrent. It has been put to me by a large number of constituents who have relatives buried at West Terrace that it is important that this first and most important of the historical cemeteries in Adelaide is not subjected to repeated bouts of vandalism.

Members interjecting:

The SPEAKER: Order!

The Hon. T.H. HEMMINGS: I thank the member for Adelaide for his question. It makes me rather sad that some members in this House seem to think that vandalism in cemeteries is something of a joke. All members object violently to vandalism in schools and other public buildings and correctly tell the Government and the police to do something about it. However, when the member for Adelaide asks a perfectly pertinent question (and the West Terrace Cemetery falls within his electorate), the member for Mount Gambier asks whether I am going to give a Holy Ghost of a story. Does the member for Mount Gambier treat vandalism in the West Terrace Cemetery as a joke?

Members interjecting:

The SPEAKER: Order!

The Hon. T.H. HEMMINGS: I appreciate the honourable member's question. In an effort to deter offenders, the Police Department has been requested to increase random patrols of the cemetery, particularly during holiday periods. The work supervisor, who lives on site at the West Terrace Cemetery, also patrols the grounds after hours and at weekends. Because of the large, rambling nature of the cemetery, it is difficult to take further security measures beyond those I have just mentioned. Locking the gates is not particularly helpful because offenders enter the cemetery over the perimeter fences and through the railway yards. Locked gates would also prohibit police entry when they are responding urgently to a call. However, I assure members that the Government is doing its best to reduce the incidence of vandalism. I call on those who carry out these repugnant

acts to reflect upon the distress that they cause many thousands of people who have relatives buried there.

TEACHERS DISPUTE

Mr S.J. BAKER: How does the Minister of Education justify his Government's contention that Industrial Commission principles dictate that the teachers' 4 per cent second tier increase must be offset by equivalent 4 per cent cost savings, in view of the decision of the Independent Teachers Salaries Board in relation to its 4 per cent decision for teachers in TAFE colleges, as follows:

It is our view that, in order for officers of the teaching service to achieve a second tier increase in salaries of 4 per cent or any part thereof, it is not incumbent upon them to show that the proposed changes to work and management practices would produce a 4 per cent saving in cost: the savings, if any, thereby produced might be more or less than 4 per cent; and we see nothing in the decision of the Industrial Commission in the State wage case which is contrary to this view.

The Hon. FRANK BLEVINS: Thank you, Mr Speaker.

Mr S.J. Baker interjecting:

The Hon. FRANK BLEVINS: I am very versatile indeed.

Members interjecting:

The SPEAKER: Order!

The Hon. FRANK BLEVINS: I am aware of the case quoted by the honourable member. The unfortunate thing is that I can bring in a dozen quotes that appear to contradict it, and that is one of the problems that we face. The answer is really very simple. If the teachers union feels that we are misinterpreting the Industrial Commission's decision, it has the right to go to the commission and have the issue arbitrated. I have invited it to do that, and I repeat that invitation. I do not say that 100 per cent right is on the side of the Government because it is a question of interpretation, and we have been back to the Industrial Commission many times for its advice on various interpretations. The Commission has been very helpful, and I am sure that it will be helpful to us in the future. However, the answer lies in the hands of the Institute of Teachers. If it wants the issue arbitrated it certainly will have the Government's cooperation. We believe that our interpretation is correct, and the teachers disagree with us: that is what the umpire is there for.

PESTICIDE RESIDUES

Ms LENEHAN: Will the Minister of Agriculture advise the House whether testing for pesticide residues in fruit and vegetables will be increased in line with the tougher testing levels now in place throughout Australia for meat? During the past eight or nine months a great deal of publicity has been given to the issue of pesticide residues in meat. The Commonwealth Government and various State Governments have taken steps to reduce the levels of residues in meat and to implement testing procedures that satisfy the requirements of our major overseas customers, such as the United States.

Mr Lewis interjecting:

Ms LENEHAN: I thought that the member for Murray-Mallee would have known that.

The SPEAKER: Order!

Ms LENEHAN: Some commentators—

Mr LEWIS: I rise on a point of order. Was the last remark a comment? The last sentence from the member for Mawson seemed to me to be a comment stating her opinion of what the Commonwealth and State Governments have done. She was not referring to any specific authority.

The SPEAKER: I appreciate the honourable member for Murray-Mallee's drawing my attention to the fact that another member may or may not have transgressed Standing Orders with respect to comment. I advise honourable members that, although it is traditionally left up to the Speaker to determine whether or not comment is being introduced and, therefore, to withdraw leave, if a member believes that comment has been introduced, any member can withdraw leave from any other member. If that procedure is followed it may present problems for the workings of the House. Nevertheless, it is open to any member. The Chair did not hear any comment this particular time. The honourable member for Mawson.

Ms LENEHAN: I have one last thing to add to my explanation. Commentators in the media have suggested that widespread consumer demand for so-called 'clean products' will soon extend to primary products other than meat, particularly to fruit and vegetables.

The Hon. M.K. MAYES: I thank the honourable member for that question, because it is a matter that has just been recently debated at the Agricultural Council in Perth, and it is an issue that is of concern to industry leaders as well. With regard to—

Mr Lewis interjecting:

The Hon. M.K. MAYES: It is of concern, apparently, to everyone except the member for Murray-Mallee, who usually has his own view on everything, that view being contrary to everyone else's in the community. The situation is that an expensive process has to be undertaken if we are to institute the same testing regime that has been instituted for meat. The Department of Primary Industry and Energy is reviewing the potential residue risks in non-meats, as well as meat products, as a matter of urgency in the process of the overview of residue levels in food stocks in Australia that are supplied for both domestic and overseas consumption.

These results will be forwarded to the Agricultural Council meeting in July. I hope that we will then be able to deal with the matter on the basis of the information we have about the levels of MRLs in non-meats, and particularly in relation to the testing regime we will have to institute. It is important to note that we currently run residue testing programs on fruit and vegetables in South Australia. These tests are conducted by the Health Commission. If any consumers are concerned, I can say that these testing programs are run. It is my understanding that advice from the Minister of Health is that there has been no evidence of the MRL level being violated in fruit and vegetables. One can feel fairly comfortable about the situation we have in South Australia. The trace-back program is an extremely expensive and technically difficult process to follow, but if any members would like to explore that matter I would be happy to give them a briefing on the problems we face in regard to those trace-back mechanisms.

It is important to note that we have established locally, through the Department of Agriculture, a Task Force on Chemical Residue that will help identify the issues we need to confront, and those issues are at both a technical and a financial level. The Advisory Committee on Agricultural Chemicals will also deal with this matter. The issue is well and truly in our vision, and we have to deal with it in the next six months. The residue testing program is currently being undertaken by the Health Commission. If we find violations, the problem will be one of instituting a program to follow it back and eliminate it at the local grower level. We have to address that matter, and by July next year I hope we can have a program in place similar to the situation

relating to meat. Hopefully, we can do it with less expense and greater efficiency to achieve the desired results.

PERSONAL EXPLANATION: ESTIMATES COMMITTEE INFORMATION

Mr S.G. EVANS (Davenport): I seek leave to make a personal explanation.

Leave granted.

Mr S.G. EVANS: The answers to Estimates Committee questions have just been printed. The member for Gilles asked the Minister of Housing and Construction, who is in control of electorate offices, a question about the cost of electorate offices. My electorate office costs fall far below those of most other members' offices, particularly in relation to rent, although two or three of us have low rents. The answer shows that $25 950 was spent on commissioning minor works in my electorate office, taking the total to $63 000 for 1986-87. That answer is totally misleading, as to my knowledge no work of any significance has been carried out in my electorate office. This answer is an embarrassment to me and I think it is grossly improper for a Minister—

The SPEAKER: Order! The honourable member is aware that he can point out where he has been misrepresented by another member and take reasonable steps in the course of his personal explanation to correct any misrepresentation. However, in doing so, he may not reflect on another member.

Mr S.G. EVANS: If 'grossly improper' is an incorrect term for me to use—and I think that is your ruling—and if it is wrong for me to say that the Minister was 'misleading'—because that is also your ruling—it leaves me unable to rectify the situation involving incorrect information that has been given in this place by a Minister of the Crown.

The SPEAKER: Call on the business of the day.

ACTS INTERPRETATION ACT AMENDMENT BILL

Second reading.

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

That this Bill be now read a second time.

This short Bill amends the Acts Interpretation Act 1915 in three respects. The first amendment provides for the inclusion of codes and standards made, approved or adopted under an Act within the definition of 'statutory instrument'. As members would be aware, codes of practice have been included in two recent legislative measures considered by the Parliament, being the Occupational Health, Safety and Welfare Act 1986, and the Lifts and Cranes Act Amendment Act 1987. During the debate on the second of these measures in the Legislative Council, several questions were raised for consideration by the Government. This has now occurred and, on the advice of the Crown Solicitor, this amendment is now proposed.

Codes of practice can be promulgated to provide for minimum standards that are to apply in particular situations (and consequently have an evidentiary purpose), or for inclusion in regulations. It is specifically provided in the two Acts in which they have been recently included that the codes are subject to disallowance by Parliament. However, because the codes are not a form of regulation or rule, and consequently not within the definition of 'statutory instrument' under the Acts Interpretation Act 1915, some undesirable situations may arise if they are disallowed. In particular, a code of practice that is disallowed would not be subject to the operation of section 16 of the Act, which preserves such things as rights, powers and remedies on the repeal, revocation or disallowance of a statutory instrument.

Furthermore, if proceedings for failure to exercise a proper standard of care were instituted in the period between the approval of a code of practice and its revocation for failure to exercise a proper standard of care, no reliance could be placed on the code to prove the offence. In contrast, if proceedings had been completed before the revocation, a conviction would stand and any penalty would still be applicable. An interesting question would arise if the code was revoked after conviction but before an appeal. As the appeal would be by way of re-hearing, the court would be determining the appeal on the law as at the date of the hearing, and so without reference to the code. It is therefore desirable to do away with these inconsistencies, as this Bill proposes. I seek leave to include the remainder of the explanation in *Hansard* without my reading it.

Leave granted.

Remainder of Explanation

Other advantages would also flow from the proposed amendment as it would invoke the operation of such provisions as section 11 of the principal Act (continuance of statutory instruments if an enabling Act is repealed and substituted by another Act), section 13 of the principal Act (reading a statutory instrument as being within power) and section 26 of the principal Act (providing that the masculine includes the feminine, the singular includes the plural, etc.).

The second amendment provides for a new section 14c of the principal Act. Section 14c provides that where an Act is passed but is not to come immediately into operation and it is expedient that a power conferred by the Act be exercised before the Act comes into operation, that power may be exercised at any time after the Act is passed.

It is intended to revise this power to provide expressly for the exercise of powers where an Act is brought into operation in stages, which is now a common practice. Authorities on a comparable section in the corresponding United Kingdom legislation indicate that the existing provision would enable a power to be exercised even though some other part of the relevant Act had been brought into operation, but it is considered desirable to proceed with an amendment in any event. In doing so, the Government is following the approach taken in the United Kingdom in 1978 when the Interpretation Act was amended in this regard, in line with a recommendation of the Law Commission and the Scottish Law Commission (10th Report).

The third amendment provides for a new section 19 of the principal Act. This amendment clarifies the status of various parts of an Act. It has been argued, for example, that schedules and headings are not proper parts of an Act. This does not accord with the modern use and significance of schedules. However, marginal notes and footnotes should not form part of the Act and a heading to a provision of an Act, if used, should be equated to a footnote. These items should be viewed as useful references but are not normally the subject of consideration by Parliament and are not intended to contribute directly to the meaning or effect of the substantive provisions.

However, there is authority to suggest that a heading to a provision or a marginal note or footnote can sometimes

be used as an 'aid' to statutory construction. This is a satisfactory view. As noted by one author, a marginal note may be a poor guide to the scope of a section, but a poor guide may be better than no guide at all. Finally, the reference to the status of a heading to a provision of an Act is to reflect a change in the presentation of State legislation so that marginal notes are replaced with headings. This change could assist in the preparation of legislation and would save some costs. It is also noted that the Bill is to operate both retrospectively and prospectively.

Clause 1 is formal.

Clause 2 provides for a new definition of 'statutory instrument' that includes a code or standard made, approved or adopted under an Act.

Clause 3 provides for the recasting of section 14c of the principal Act. The new section will be plainly consistent with the modern practice of bringing legislation into operation in stages. While the existing provision allows powers to be exercised when certain provisions have been suspended (see, for example, *R. v. Minister of Town and Country Planning*), the revision of the section is consistent with a recommendation of the Law Commission and Scottish Law Commission.

Clause 4 inserts a new section 19 of the principal Act to clarify the status of various parts of an Act.

Clause 5 provides for the retrospective and prospective operation of the amendments.

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

SUPERANNUATION BILL

Adjourned debate on second reading.

(Continued from 11 February. Page 2716.)

Mr S.J. BAKER (Mitcham): By way of a preliminary point, I will comment on the appalling arrogance of the Minister in introducing this measure on Thursday and expecting it to be debated in full on the following Wednesday. It is a matter of great import to this Parliament, a matter of great import to the 100 000-odd public servants who reside in this State. For any Minister to bring forward a Bill which has some complex ramifications and expect it to be debated within a few days is typical of a Minister who is out of touch and who has no feeling for either the Parliament or the people of this State. With the small amount of business before this House, I would have expected the Government to be able to organise itself better and treat this House with a little more respect. However, the Minister of Labor continues, time after time, to show his disdain for all the procedures that we believe are important in the Parliament and, indeed, show arrogance to the population of this State, as we have seen recently.

Having made those remarks, I do appreciate the fact that the Government has agreed to defer the Committee stage until next week. In the meantime, we will be taking advice on a number of important areas before we can determine our position. In general, there is support for the proposition on this side of the House. I thought that the House really deserved some background on why this Bill has been brought forward and why some of the measures are contained therein.

The new superannuation scheme proposed by this Bill draws on recommendations of the Agars committee set up in 1985 to review the State Government superannuation arrangements. The investigation was forced upon the Government through pressure exerted in 1983 and 1984 by the Opposition, particularly my colleague the Hon. Legh Davis. The added impetus for change was from a wide variety of sources, not the least of whom was the Public Actuary, who commented unfavourably about certain aspects of the existing scheme. I imagine it also had some impetus from the Treasurer, who was finding that the bills were getting overly large because the scheme was unfunded.

Perhaps we should go back 14 years. The 1974 Superannuation Act introduced by the ALP Government lived up to Premier Dunstan's claim that it would be the best in Australia. By 'best', he meant the most expensive. These were the expansive days of socialist Government when both Federal Labor and State Labor Governments decided to spend the taxpayers' money as if there was no tomorrow. The superannuation scheme that was established at the time reflected the views of the then Premier and were consistent with the actions of the then Prime Minister (Mr Whitlam). We now know that we are paying the bills for the mistakes and decisions made during the early 1970s, in the case of the Federal Labor Government, by these two individuals.

On the financial side, two major problems have arisen with the fund. They relate first to the increased benefits granted in 1974 to those already in the scheme. Participants at that time were contributing 30 per cent towards their final benefit, but under the revised arrangements, their contribution has averaged out at 17.5 per cent. In other words, because of the largesse of Premier Dunstan, the Government has had to meet 82.5 per cent on average of the costs of the scheme for those people who were brought under the auspices of the 1974 Act. Secondly, because the Government assumed the responsibility for the costs of supplementation to cover indexation, the net contribution by participants post-1974—those who elected to enter the scheme after 1974—is averaging out at 23 per cent, well short of the 28 per cent upon which Government schemes operate, and substantially in advance of most private sector schemes. The picture being painted is quite obvious. The decisions were made to weigh down this Government and all post-1974 governments with increasing and spiralling superannuation bills.

In 1985-86, the annual cost paid by the Treasurer for superannuation benefits to State Government department ex-employees was $66 million, and that is estimated at $93 million for 1987-88. The Actuary's report in 1984 was that the scheme was in deficit to the extent of $19.9 million, but that was based on the acceptance of 17.5 per cent contribution by pre-1974 entrants and 23 per cent by post-1974 entrants. In his second reading explanation, the Minister reported that the value of concessions to members in 1974 was $146 million in 1974 prices. In today's prices, the Dunstan legacy was over half a billion dollars—$536 million, to be exact. That was the decision made by Premier Dunstan to ensure that he bankrupted future Treasuries. No estimate is available for the post-1974 entrants who are contributing 5 per cent less than the target 28 per cent contribution to benefit percentage, but it would be in excess of $100 million and rising daily.

Other concerns were raised within the last report of the Public Actuary, namely, only 30 per cent of public servants were contributing, persons resigning received only contributions plus interest of 3 per cent after five years, and premiums were inflexible to changing economic needs. Before I go on to the major changes in the Superannuation Bill, I will refer to some extracts from the past to ensure that everybody understands the magnitude of the problem.

On 22 August 1984, my colleague the Hon. Legh Davis moved a motion before the Legislative Council in which he said that there was an urgent need for an investigation into the superannuation scheme on a whole range of matters.

The matters to be addressed were: future liabilities, needs of contributors, the efficiency in which funds were being managed and a whole range of other matters. I refer members to that debate, because he raised some very important principles when he spoke in that place. On 22 September 1983 the same gentleman provided figures on the cost of pension supplementation payments by the State Government; for example, in 1973-74 the cost to the State Government was $6.6 million, and by 1982-83 it was $44 million.

One of the interesting items in the cost chart is the fact that supplementation has become a very important and costly part of the scheme. In 1973-74 the basic pension paid to people who had left the service was $9.2 million and supplementation—that means catering for increases in the cost of living—was $500 000. In 1982-83 the basic pension cost was $40.8 million, but the cost of supplementation was $29.4 million. I do not believe that anybody who had done their sums at the time would have realised what the impact would be. It is not my object to be critical in this debate of public servants because it is not the decisions made by public servants that have caused the impact, it is the decisions by Government. In the Bill before us I believe there is a very reasonable attempt by Government to redress the real deficiencies of the present scheme and, indeed, to rein back on some of the cost escalation factors.

I was interested in a report prepared in 1981 on the long term projections of the cost to the South Australian Government of the Superannuation Fund. I suppose that the author would now look at that report and, in retrospect, say, 'Well, I made a number of assumptions that were awfully wrong.' He raised a number of issues that I have already talked about when he was reviewing the future long term impact, but he did not guess correctly when he said that this was going to be the ultimate cost to Government of this scheme.

There were two major factors involved: first, he probably did not have access to life tables and the increased cost of people living longer; and, secondly, his calculations relating to participation were based on no change in Public Service numbers. We know that Public Service numbers under this Government have increased quite dramatically. So, whilst an honest attempt was made in 1981 to look at the long term impact, it failed because the assumptions underlying the report were basically invalidated in a space of some three or four years.

It is interesting to note that the person who made this report, Mr Weiss, defended some of the benefits of the scheme, saying that by the time you have taken out all the benefits that people get on a pension, and if you look at the benefits flowing to people on lump sum schemes, the recipients were not a great deal better off under the existing scheme, which is very expensive, than people in the private sector or in other Government lump sum schemes. On reflection, I think this is probably true; and it is particularly true for people on lower incomes who may have a very limited salary scale probability. For those people who start in a job and finish not much different from the one in which they started—I am talking about the lower paid categories—the scheme has not been of great benefit. They have not benefited from promotions during their period of service and as a result the pension has been of an order which is only slightly above the basic pension after allowing for taxation and benefits that accrue to age pensioners in this country.

Perhaps some objectivity was injected into the debate on this scheme by that report, but the fundamental fact remains that it is an expensive scheme and a scheme which disadvantages a number of people. It does not in any way assist mobility, which we think is a very important factor and we believe that it has not worked particularly well, but we have had to pay a high price for it and the price will increase.

With that background I will now deal with the recommendations in the Agars report (the Inquiry into the South Australian Public Sector Superannuation Scheme). I note that many people would not have had the opportunity to read this report. It contains many excellent recommendations, some of which have been adopted by the Government and others set aside. There are some very important deviations from the contents of the Bill that is before us. My major remarks in this debate will be directed towards the Agars committee report. Recommendation 1 states:

> The committee recommends that the priorities of any South Australian public sector superannuation scheme should be:
> (A) to provide benefits in retirement in a flexible form to enable a contributor to optimise the contributor's own personal circumstances.

This scheme certainly does that. Next:

> (B) to protect contributors against loss of financial security in the event of permanent disability and protect dependants against loss of income in the event of death in employment.

And this scheme certainly does that. Next:

> (C) to encourage flexibility and adaptability in the labour market.

This scheme certainly does that. So, the major principles upon which the scheme is based have been met within the provisions of the Bill. Some 74 recommendations are contained in this document which the review committee compiled. Many of them are of a very sound nature and some, of course, will be taken up in amendments to the Bill. Item 2 states:

> The committee recommends the adoption of the NSW Public Accounts Committee's recommendation requiring all proposed amendments to public sector superannuation funds to have a full report prepared by the Public Actuary before being submitted to the Treasurer detailing the financial implications of the proposed changes covering:
> (i) the new entrant fully funded contribution rate as a percentage of salaries both before and after the proposed changes and the percentage increase or decrease which this represents.

We have an approximation of the before and after costs, so that has at least been fulfilled. Next:

> (ii) an estimate of the extent to which the proposed changes will affect the liability for past service in respect of all members of the particular scheme.

Those changes are unaffected by the proposed scheme. Next:

> (iii) an indication of the extent to which the proposed benefits are commonly included within private sector schemes and public sector schemes elsewhere.

We have no detail of that, but are searching for it. Next:

> (iv) cash flow projections for 40 years both before and after the proposed changes.

The House does not have that information available to it, and I ask the Minister to note some of these areas so that when they are raised during the Committee stage that information can be forthcoming. Next:

> (v) any other issues which the Actuary considers should be raised to enable the public to assess the financial implications of the changes.

We do not have that detail. Next:

> 3. The committee recommends that the Government establish a data base detailing the extent of superannuation coverage in the public sector.

We have not seen any mention of that in the second reading explanation, it is not covered in the Bill, nor should it be, and perhaps the Minister can give an indication of whether that will occur. Next:

> 4. The committee recommends that funds adopt a universal contribution rate for all employees in the fund (other than actuarial adjustments due to the age of the contributor).

I believe that that condition has been met within the scheme. Next:

5. The committee recommends that:

(1) All funds provide for early retirement from age 55 with actuarially determined decreases in benefits from the normal age retirement benefit (but see later recommendation with respect to the Police Pensions Fund).

That has been met. Next:

(2) There be no distinction in retiring ages for males and females or according to the classification of the contributor.

We are pleased to say that the distinction between males and females has at last been taken out of the superannuation scheme and other areas. Next:

(3) There be no prerequisite service period required to be served before a contributor can retire at age 55.

That has also been deleted. Next:

(4) The decision to retire early to rest solely with the contributor.

Again, that is catered for. Next:

6. The committee recommends that if a fund provides additional death cover over and above normal death benefits then that cover should be provided for all contributors to the fund.

We have indeed covered that in the Bill. Next:

7. The committee recommends that as a principle neither pensions nor lump sums available under a superannuation scheme be able to be assigned to a nominated beneficiary.

Indeed, we have the alternative of certain benefits flowing to a trust. Next:

8. The committee recommends that the payment of pensions to children in the existing pension schemes be maintained.

That has been done. In regard to the budgetary implications of superannuation, recommendation 9 states:

The committee recommends that the Government investigate the avenues available for funding the accrual of benefits in all superannuation schemes.

That is not necessarily covered under the Bill, nor should it be. Next:

10. The committee recommends that those schemes which defer the employers' liability until benefits emerge should show the cost of the accruing superannuation liability for existing contributors in their annual accounts.

We believe the scheme should be fully funded from the beginning. Next:

11. The committee recommends that in respect to the State Superannuation Fund, membership of the fund should be optional.

That has been preserved. Next:

12. The committee recommends the following eligibility clauses apply in all public sector superannuation schemes in South Australia.

There is a list of eligibility criteria with which we have some difficulties in certain circumstances. Next:

13. The committee recommends that the Police Pensions Fund be amended to provide a death and disability cover during the 12 month training period for a police officer.

That pertains to the Police Pensions Fund which is not under discussion. Next:

14. The committee recommends that, in principle, all public sector superannuation schemes should require contributions to be paid by employees.

We adhere to that principle. Next:

15. The committee recommends that the Government adopt the principle that all eligible employees of an employer be able to join the employer's superannuation fund, and be entitled to pay the chosen rate of contributions and receive the appropriate level of employer subsidy.

That has largely been reflected in the Bill before us. Next:

16. The committee recommends that in circumstances approved by the trustees, a contributor may be exempted from making contributions but be able to catch up contributions forgone during this period.

That condition has been met in the legislation. The committee recommends certain percentages of normal contributions should apply (point 17) and that has been largely met within the Bill. Next:

18. The committee recommends that the lump sum benefit for limited benefit contributors in the existing State scheme be related to the contributory service of the member and not the contributions actually paid.

I am still working out whether that condition has been met, and I have to take advice on that. Next:

19. The committee recommends that benefits available under the existing State superannuation and ETSA schemes for post age 60 retirement be calculated on the basis of requiring 30 years contributory service to attain full benefits.

That is the leaving the fund provision. It has not been quite met under the provisions before us. Next:

20. The committee recommends that the benefits available under the existing State superannuation and ETSA schemes for post age 60 retirement be retained where a member has completed 30 years contributory service.

I say 'Ditto' to that. Next:

21. The committee recommends that, where a contributor has completed paying into the fund for the required length of time as specified under the rules of the scheme, further contributions should not be required.

That has been preserved within the Bill. Next:

22. The committee recommends that in all public sector superannuation funds in the State, the retiring age for males and females be the same.

Hear, hear! That has been adhered to. Next:

23. The committee recommends that the benefit payable at age 55 should be the actuarial equivalent of the benefit payable at age 60.

I would add a subclause, 'provided the relevant years of service have been served'. Next:

24. The committee recommends that the portion of pension which attracts indexation in the State Superannuation Fund be that portion of pension remaining after commutation.

That has largely been preserved. Next:

25. The committee recommends that the commutation factors for males and females be the same, and are set out as follows:.

Certain rates are set out. That has been adhered to strictly. That is not a serious problem in the existing scheme, because of the heavy male dominant factor. If we were talking about commutation and pensions, we would have to look at the possibility of recognising that on average females live six years longer than males. However, that is not in contention. Item 26 deals with the Police Pensions Fund. Next:

27. The committee recommends that an option of commuting up to 100 per cent of pension be introduced into all public sector superannuation funds in the State no later than 1 January 1991 or earlier if funds permit.

The question of commutation is appropriate only for pension schemes; it has no bearing on the new scheme whatever, but a commutation element has been injected into the new legislation. Next:

28. The committee recommends an immediate increase in the portion of pensions able to be commuted from 30 per cent to 50 per cent to be effective from 1 January 1987 or earlier.

Item 29 talks about total commutation below $10 000 pension per annum. Both of those provisions have been reflected generally in the legislation. Next:

30. The committee recommends that the definition of disability in pension funds be altered to require trustees to consider the ability of the employee to be rehabilitated into suitable employment.

That has been covered under the Bill in a certain form. Next:

31. The committee recommends that the determination of retirement on the grounds of invalidity in respect of employees covered by the State superannuation scheme ultimately rest with the South Australian Superannuation Board and not the employing authority.

That is the case. Next:

32. The committee recommends that the South Australian Superannuation Board establish its own continuing expert medical panel to provide the necessary medical evidence to the board after examination of the claimant and any evidence the claimant may wish to place before it.

That has not been covered under the Bill and will be the subject of an amendment. Next:

33. The committee recommends that a temporary disability payment be introduced into the pension schemes . . .

That has been done. Next:

34. The committee recommends that re-employment/redeployment procedures be investigated by the Public Service Board with the view to introducing provisions whereby a disabled retiree is able to be re-employed/redeployed in any Government agency.

That is not necessarily covered under the Bill. Altogether, there are 74 recommendations in total and I thought it would be useful for members to have some appreciation of the excellence of the report on which the superannuation scheme is based.

As I said, a number of areas of departure and some recommendations that we do not believe are acceptable will be canvassed in Committee. Just to recapitulate, the major changes contained in the Bill are: for existing participants, pension benefits will be preserved; and commutation for lower income earners or of part pensions has been made an attractive option. This should reduce the liability of the fund in the longer term. The new scheme is lump sum. Flexibility in contribution rates has been provided for in rates varying from 1.5 per cent to 9 per cent of salary, with the upper element of 9 per cent being used only for catch-up provisions. The maximum employer component will be four to five times the final salary payable at 60 years, after a minimum of 35 years of service.

Lump sum benefits will be paid to the spouse and dependent children on the death of the contributor and a disability allowance will be made to carry the employee through to 55 before that employee is paid a lump sum. The Bill provides for generous superannuation arrangements to attract mature talent from the private sector. Although the retirement age has been defined as 60 years, a person can indeed retire after the age of 55.

The Public Service Association accepts the Bill and is content with it. I have had discussions with that body. On the positive side of the ledger, the Government is reducing the *per capita* cost of public contributions to Government employee pensions. The estimate given in the Bill is from 17 per cent of salary for the post-1974 group to 12 per cent in respect of new entrants to the new scheme. One creditable advance has been helping mobility between the private and public sectors and improving female participation in the scheme. The Government has introduced a scheme that will for a variety of reasons be more attractive than the existing scheme, which is a gold mine for the upwardly mobile public servants but of limited value to low-income earners and public servants of short-term tenure.

Mr Lewis: It is unfair to them.

Mr S.J. BAKER: Yes. In my case, I spent 10 years in the Public Service and contributed for that period. On walking out of the Public Service, I received my contributions plus 1 per cent interest: in real terms, I had lost a large sum. It was not of concern to me, but some people stay in the Public Service for an extremely long time and the longer they stay the greater is their vested interest in the Public Service. That is unhealthy, so mobility is an important component in the new scheme.

On the negative side of the ledger, if the number of participating employees increases from 30 per cent to 60 per cent, the overall long-term cost to the State Government will be greater than under the existing arrangements, but the major bills will not be paid for 20 years, and that seems to be the way in which Governments operate. In other areas, there is difficulty in respect of Commonwealth and State responsibilities. Under the lump sum arrangements, the percentage of retirees from the public sector relying on Commonwealth pensions will increase. This will be offset to some degree by the taxing of fund earnings and State Government contributions. In referring to the taxing of fund earnings, I am in no way promoting the taxing of superannuation funds: I am merely noting that, when a person retires on a pension, that pension is subject to Commonwealth taxation.

In net terms, both the Commonwealth and State Governments could well be the losers, and I have said that the Asian flea market could be the major winner from this change. When people receive a lump sum there is a strong propensity to spend it on cars, modifications to houses, and holidays, and later they live less than comfortably on the Commonwealth pension because they have dissipated their assets and reduced their income-earning capacity to zero. The Commonwealth Government will soon have to provide greater incentives for annuity schemes or conversions to annuities, and this scheme may be well structured to accommodate such a change.

The Bill provides for annuities to be part of the scheme. I believe that this country will become bankrupt because of the cost of providing retirement benefits, whether direct benefits in the form of pensions or indirect benefits in the form of concessions, if it cannot get a greater percentage of the population to look after itself. This country must recognise the important principle that we can no longer keep building up a social security bill, loading the taxpayer, and incurring this ever increasing Government expenditure, because the cost at the end of the day will be an inability in this country to operate without a large tax base.

The results of high taxation policies are reverberating throughout industry. We have seen such policies in the form of land tax and in areas such as excise where Governments have had to take more and more to satisfy the ever growing demands. Those demands must stop. One area of grave importance is the increasng pension bill. This scheme is not in keeping with the long-term demand by the Liberal Party and, I believe, by the people of Australia that people should be self-sufficient in retirement. We agree to the scheme because we believe that, once it is in place and people are committed to it, there will be a change by the Federal Government, whether Liberal or Labor, that will enforce a change in the lump sum arrangements in this country. Indeed, I believe that within five years the contributors to lump sum schemes as we know them today will be only too willing to ask for their benefit in the form of a pension. There is no incentive to do that today and, if the country does not sort out that problem, it will continue to decline.

One other important issue was raised by the inquiry into South Australian superannuation and that is the status of the 3 per cent superannuation claim laid down by the Commonwealth Arbitration Commission. I am not sure what discussions have taken place on that matter or what will flow, but I am aware that some private employers have been granted exemption from participating in a union-run scheme or an industry scheme on the basis that they already have schemes that cater properly for employees. That means that they have avoided the further impost of 3 per cent on top of their expanding wages bill. I am aware of two such schemes.

So, there is a question mark. This issue has now been around since April 1987 when the decision in the national wage case was handed down and we learnt of first tier, second tier and superannuation benefits. Apart from the

reservations that I have expressed, the Opposition genuinely supports the principles embodied in the Bill. We will discuss matters of detail in Committee. I ask the Minister to have one of his officers review the inquiry into public sector superannuation, because Opposition members will ask questions concerning areas where there has been a deviation from the recommendations of the inquiry. Further, will the Minister provide details of the projected costs of servicing the existing scheme and the long-term costs of the supplementation benefits in existence today?

Opposition members will also ask questions on the state of the Superannuation Fund. After all, the recent stock market crash will have had some effect on the fund, although not as great as on other funds. Questions will also be asked about investment in the ASER development, and I should be pleased if the Minister could respond to those questions in Committee.

I am quite pleased with the legislation before the House today, although I regret not having sufficient time to really have a good look at the formulas and make sure that they work as they are expected to work. I am also perturbed that I have not been able to ascertain how they stack up in terms of what superannuation benefits are on offer in the private sector. The preliminary advice I have received from someone who has had a very quick look at the Bill is that the benefits are probably in the top order of those available in the private sector. However, it is not considered, on a preliminary glance, that any of the benefits on offer in this Bill are out of kilter with many of the areas in the public sector. The Opposition supports the Bill.

Mr D.S. BAKER (Victoria): I add a few words in supporting the member for Mitcham on this Bill. The Minister's second reading explanation stated:

> Superannuation in the public sector in this State has, as members in the House will know, undergone considerable investigation and review over the past two years.

That is, after it was closed off by the Government in 1986. One can go further than that. From a reading of *Hansard* over the past 20 years, one would see that members of both sides of the House have drawn to the attention of various Governments the serious financial problems faced by the taxpayer in meeting the cost of public sector superannuation. That has been well recorded.

Not only the State Treasury is facing problems: the Commonwealth Treasury also has problems. It has been stated that, in 1970, the Commonwealth scheme cost the taxpayers of the nation approximately $500 million, and it is estimated that by the mid 1990s the figure will rise to $2 000 million. That is a tremendous impost on the taxpayers of Australia. It is generally accepted that there is no more generous public sector scheme in Australia than the present scheme in South Australia, and the Minister's second reading explanation illustrates that point:

> . . . the Agars committee reported that the South Australian fund was currently only able to support 17.5 per cent of the cost of the benefits. The Government was therefore having to support 82.5 per cent of the cost of total benefits.

That touches on the most important aspect of the problem that has arisen in public sector superannuation. As members are aware, in 1974 the Dunstan Government repealed the old Act. The 1974 Act is now being repealed. The original 1926 Act was designed for a 50 per cent contribution by the contributor and a 50 per cent contribution by the employer. That has got right out of kilter, and one of the reasons is that it was used by the Dunstan Government in 1974 to buy votes. That is clearly documented, and it was openly boasted that it was the most generous scheme in Australia. One of the problems is that that Government did not have to fund it; it is funded by the taxpayers.

In 1926, the scheme was designed on a 50 per cent contribution by both sides. In 1974, the Government's contribution was 71 per cent, with 29 per cent paid by the contributor. By 1978, that had become a contribution of 82 per cent by the Government and only 18 per cent by the contributor. If that continues, it is perfectly clear that the taxpayer will be the poor person who has to keep footing the bill. Actuaries have predicted that it will reach 90 per cent by the 1990s, with contributors paying only 10 per cent. That has not happened yet but the second reading explanation clearly states that the Government's, or taxpayers' contribution today is 82.5 per cent, compared to that of 17.5 per cent by the contributor. I freely admit that other reasons can be found to explain why this has occurred. One is that fringe benefits have added to the overall cost of the scheme. The Minister's second reading explanation states:

> A significant factor contributing to the fund's inability to meet 28 per cent of the cost of all benefits was the exceedingly generous concessions given to members who joined the scheme before 1974.

As I said, in 1974 the taxpayer was saddled with the most lavish scheme to that date in Australia. The second reading explanation further states:

> The task force has reported to the Government on a new scheme for public servants which has a significantly lower cost per member to Government. The new scheme proposed by the Superannuation Bill 1988 has an employer cost of 12 per cent of a member's salary compared to the 17 per cent of salary average new entrant employer cost under the existing scheme.

I cannot see how an unfunded scheme which meets an indexed pension some time in the future—perhaps 10, 20, 30 or 40 years hence—can be costed as a percentage of salary. I could understand if it was fully funded or annually funded, and it would be simpler for the actuaries and the Government to estimate what it would cost. However, with an unfunded scheme it is impossible to work out what the cost will be to the taxpayer and it is also impossible for the Government to balance the books each year for any scheme that is unfunded. It is impossible to compare percentages of salary with an unfunded scheme.

On that point it is necessary to look at the cost of the Government's contribution and how that has risen. In 1974, it was a mere $6.9 million. In 1975 it reached $10.8 million. In 1976 it went up to $15.4 million. In 1988 it is expected to reach $93 million. While these figures are frightening, one must remember that the attention of Governments over the past 20 years has been drawn to this matter. So far no Government has been prepared to face the music and stop this impost on the taxpayer. I know that the federally funded schemes are even more frightening but, up to date, that has not been our concern in this House.

How has this position been reached, when the first piece of legislation was introduced in the early 1920s with a completely different method of funding? It then involved contribution on a 50-50 basis. How did it reach 70 per cent by the taxpayer and 30 per cent by the contributor? The main reason that I advance for that is that the Government has not funded the scheme. If Governments do not bite the bullet and start funding these schemes, the situation will not change. Several other factors severely affect superannuation pay out. Because these schemes are unfunded, it has permitted Governments to lean on the contributor's fund for development at cheap interest rates with the cost to the Government increased in the future. This is a dishonest practice and should not be allowed to continue. It also allows a fund to be politically manipulated, as happened in 1974 with the Dunstan Government. If a Government must fully fund a scheme each year, the serious

financial position that has been reached would not be a fact of life.

The second contributing factor is that in gaining the public sector vote Governments tend to, and have done in the past, expand the benefits for Government employees without that costing them anything. As I said, that happened in the Dunstan era. Somehow we must be able to bring Governments to account, force them to balance their books each year and contain this burden on future taxpayers.

The first step that I think should be taken is to decide exactly what every contributor should pay and exactly what the employer should pay—that employer being the Government. Each year those contributions should be paid into a fund. This is the only way that future Governments will be kept honest and the only way we can stop this ongoing commitment of future taxpayers.

The second step would be to remove Government involvement in the management of the fund. We know that one of the reasons for this escalation in cost to the taxpayer has been the Government's influence on the investment policy of superannuation funds—that is well documented. I believe that a consortium of superannuation mutual societies should be placed in charge, and that both Government and contributors' funds should be put into a central fund and managed. This would remove all Government interference in the investment and management of the fund.

The third point, which would then be cured, is that superannuation schemes would then be superannuation schemes and not develop into welfare schemes, as unfortunately, over the past 30 years, has occurred. We support the second reading.

Mr LEWIS (Murray-Mallee): Once again the speaker immediately preceding me has cleaned up the foxes I had in my paddock, but that does not deter me from making the contribution I intended by supporting the remarks he made after having made some general comments about the measure. I commend the Minister. It is a pity that Ministers preceding him had not taken the responsible step that he has now taken in connection with the Public Service Superannuation Fund. It has been evident to people with actuarial skills since the amendments of the Dunstan era in the mid-1970s that the scheme was far too generous to the beneficiaries and left far too much liability on the State's taxpayers to provide those benefits.

The specific figures referred to by the member for Victoria amply illustrate the point I am making. From fewer than a handful of dollars—merely a few million dollars—at the time of the amendments made by the Dunstan Government in the mid-1970s as the annual operating deficit of the scheme, it has become an enormous albatross around the neck of the State Treasury with the prospect, if it had not been wound up—the current scheme having been concluded not quite two years ago at the end of 1986—of escalating to the point where it would represent a substantial proportion of the total revenue collected by the State within 20 years. That means that within 30-odd years of its inception it had the capacity to break the State Treasury.

That is no mean thing. It is a fairly irresponsible Government that refuses to take or even seek competent actuarial advice when it introduces a scheme of this kind, as the Dunstan Government did. It was quite unnecessary. The report on which this legislation is based was needed 10 or more years ago. Amendments may have been necessary in the mid-1970s and, even though in my judgment it was politically expedient that they were introduced when they were (and they probably saved the Government in the 1975 election) they should immediately have been subjected to the analysis that has been undertaken in the preparation of the report on which the legislation is based. They were not.

I guess that occurred because the Government of the day did not have the guts to do so. It was afraid of the percentage backlash that there may have been from a rapidly expanding Public Service being led by the kinds of militant people we now have in this Chamber. The member for Unley, for instance, would have been fairly forthright, in his earlier career as a PSA advocate, in criticising the Government had it attempted to undertake the kind of amendment has now become so glaringly obvious for which the necessity to the minds of even the most arithmetical accountant. Whereas before it was a more esoteric argument between people with actuarial abilities, it has now become so obvious in the past three or four years that even dummies like me can understand it.

I know that the current member for Todd had some significant contribution to make to Government thought about these problems when he was first a member of this place as the member for Newland. It is probably just as well that he had the guts to take on the Hon. Hugh Hudson who, in spite of his qualifications in economics, made a number of fundamental and simple blunders in the preparation of legislation relating to superannuation which he brought into this place during the time the present member for Todd was here in his first term as the member for Newland. I am reminded of the remarks made by the member for Hanson from time to time about the scheme. I put my own view on record as early as 1980, shortly after I became a member in this place, and expressed my concern about the necessity for an overhaul before it became a monster that literally, in a parasitic way, sucked the lifeblood out of the State Treasury. That is exactly what it would have done had the liability been allowed to accumulate.

I turn now to an assessment of the scheme. Apart from the very good point that I have already made about reducing the extent to which accrued liability can develop to the State Treasury through the scheme that precedes this, the other aspect of bringing in this legislation at this time which deserves commendation—and I put it to the Minister as a commendation—is the portability. Various terms describe what is meant by 'portability', although it simply means that an employee in the public sector can take his benefit to a new job, whether that happens to be in a contract position in the public sector tenured for a specific number of years or into the private sector.

By this means we enhance our capacity as a society to derive the greatest possible benefits from the brains and specific skills of those talented individuals in our midst. They will not only be able to contribute in the private sector but, having established their competence to do so, will take their superannuation with them when they transfer into, say, a contract position in the public sector for three or five years (or whatever the specified period of time) and take it with them still further in the event that they decide to leave the public sector after that time and go to some other job. That is to be commended. It should have been introduced more than 10 years ago as part of our corporate and public fiscal management strategies. It is to be commended that it has come even as late as it is now. However, the bad aspects were stated by the preceding speaker, the member for Victoria, and alluded to, if not directly stated, in certain instances by the member for Mitcham.

In summary, I see them as the fact that this scheme again is unfunded. It is not cashed up properly. The liability which will accrue cannot be quantified. The imponderables are very vexing indeed when one attempts to analyse the likely consequences of future scenarios for the economy. For

instance, we will increase Government liability—that is, taxpayers' contribution—to the ultimate payout of those public servants who will benefit from the scheme if we succeed in effectively managing the national and the State's economy, because success in that respect would mean that interest rates would come down.

At present we have a dirty float. Interest rates are held high to attract foreign capital here, and to keep Australian capital on shore. That tends to stabilise, as it were, the value of our dollar, *vis a vis*, other currencies. That is why it is called a dirty float. It is not a free market float of the currency at all, despite what the Federal Treasurer may say about it. If interest rates come down, the capacity of the Superannuation Fund, regardless of who manages it, will be reduced in its ability to earn money from its investments to defray the cost of the liabilities accruing through a formula which is in no way related to the outcome of the scenario of a healthier economy and reduced interest rates.

So, the liability of the fund goes up to the taxpayers of South Australia as the economy becomes healthier. Who among us would wish to continue the current interest rates regime or return to and exceed the interest rates we have suffered from in the past few years? Who among us would want that? None, I hope. However, that is where the superannuation scheme managers could appear to be doing extremely well in their management of the funds at their disposal—that is, if they are not compelled by Government to invest them in shonky projects at privileged interest rates for the benefit of consummating what I would call sleazy deals with corporate sector investors in specific enterprises which the Government of the day, regardless of its political persuasion, may wish to appear to be generating for improved employment in South Australia and improved diversity of our economic base in South Australia. That is bad news.

However, we do not want to see a return to high interest rates. At the same time, we want to see the scheme managed in a way that will ensure that we have the best possible return on the funds within it. Therefore, I strongly support the general principle of the remarks made by the member for Victoria in this respect and also those of the member for Mitcham. It is undesirable that the Government should retain control of the management of the funds for the reasons to which I have just alluded. It will be disastrous for the taxpayers of South Australia if, in the short run, the Government uses the superannuation scheme funds at less than market interest rates to provide the money for the construction and provision of infrastructure, for the short-term gain of winning votes, only to leave the responsibility of picking up the tab for that cheap interest rate money to a generation of children yet unborn who, in 20 years time, will suddenly find that because the Superannuation Fund of the public servants in South Australia was badly invested—not just poorly but very badly and, in my judgment, very wrongly invested—they, as young adults, will have to pay higher State charges and taxes to meet the contingent liability that should have been met all the time throughout that period by proper market rate interest rates on the funds invested.

Having made those remarks, I urge the Government—indeed, all members of the House—to bear in mind that you cannot create prosperity by the projectitis approach. This occurs when you take money obtained by compulsion now through the form of things like the Superannuation Fund and invest it in the economy in business ventures (whether public sector, quango or private sector) and expect as a consequence of having done so that you will be better off. You are kidding yourself. Indeed, the final remark I wish to make about the whole thing is that if Australians at large do not recognise that at the present time we are not doing enough work to provide for ourselves what we fondly believe will be an age of ease through superannuation funds for the public sector like this one or anywhere else, then we will find, when we reach the age where we expect the ease, that there will not be the value in the dollars we receive to enable us to live that way. Indeed, in all probability, many of us in this Chamber now, unless there is a dramatic turnaround in the productive output per capita in the Australian economy, even in a short run, and a reduction in the public debt even in the short run, will find that by the time we reach what we now consider to be retiring age, the country will have already gone broke.

The Hon. FRANK BLEVINS (Minister of Labour): I thank members opposite for their contributions to the debate and for their support for the second reading. In the main, the contributions were thoughtful and, also in the main, I could only agree with what they had to say. It is a pity that the member for Mitcham started his excellent contribution by having a swipe at the Minister—me—by suggesting that I have been arrogant, as usual, by introducing this Bill and demanding that it be debated virtually forthwith without giving the member for Mitcham sufficient time to have it analysed or to analyse it and provide a detailed response. Well, Sir, I do not organise the business of the House, but I understand that, in the negotiations that took place when the Opposition asked for more time to consider this Bill, the Leader of the House was only too pleased to grant the Opposition the extra time that it requested.

However, that was just a minor detail in the excellent contribution of the member for Mitcham. As he outlined, the area has been a very difficult area indeed. There are enormous problems in the now closed scheme. My second reading explanation of the Bill admitted that—I made no bones about it—but even better, it supplied the answer. It is easy to criticise almost anything in this world, but not so easy to come up with an answer. I believe that the second reading debate did, in a great deal of detail, come up with answers to the problems that we all know exist. As the member for Mitcham stated, this Bill and the new scheme are based on the Agars report. I want to place on record my appreciation of Mr Agars and the committee that assisted him in compiling that report. It is one of the best pieces of work that I have seen in a decade—it is really superb—and everybody associated with it deserves our congratulations and appreciation.

As I stated, the Bill is based largely on that report, but not entirely, for reasons that I will be happy to explain when the member for Mitcham requests those reasons during the Committee stage. I do not intend to go through all the questions that the member for Mitcham asked in the second reading debate because experience tells us that if you do that you will only have to repeat them in the Committee stage, and that is totally unnecessary.

I mention briefly two of the issues raised by the member for Mitcham: the questions of lump sums and how this particular scheme compares with the private sector. The question of lump sums is a contentious one. I recognise the point made by the member for Mitcham but I point out that lump sums are favoured by employers—and, incidentally, by employees, but for quite different reasons—because they are cheaper: there is a distinct saving—in this case to the Government—by having a lump sum scheme. It made me smile when there were squeals of outrage at the suggestion by Federal Parliamentarians that they should have a full lump sum scheme, that this was some kind of a rip off to the taxpayer. In fact, the reverse was the case: it would

save the taxpayer money. However, the Federal Government found that proposition exceedingly difficult to get across to the taxpayer, so it was dropped. I suspect that, if South Australian Parliamentarians, in the interests of saving the taxpayer money, decided that the parliamentary superannuation scheme would be a full lump sum scheme, we would hear the same screams of outrage; whereas if we were doing it here for public servants, many of whom are on far higher salaries than members of Parliament, we would be applauded by the public for it. It is very strange.

The taxation provisions and social security probems that may arise in the future in Australia are matters predominantly for the Federal Government to examine and fix if it feels that anything is required in that area. The State Government cannot influence those matters at all, but I take the point made by the member for Mitcham. In relation to the question of how comparable this scheme is with private sector schemes, I must say that this scheme is comparable. It is not the worst we have seen nor the best, but in the best tradition of South Australia it is somewhere in the middle. I am sure that it cannot be criticised on the basis of being overly generous, nor can the employees criticise it on the basis that it is particularly parsimonious. In my view it is a very fair scheme.

I do not want to go into the politics of 1974, as did the member for Mitcham. I thought that his remarks in that area were particularly cynical. To suggest that a previous Government used the public sector superannuation scheme to buy votes on the basis that it would have to be paid for by a Government somewhere in the future, around about the end of the 1980s, was, as I said, somewhat cynical. Nevertheless, there is no question that the closed scheme could no longer be sustained and we did not get much of an argument from the trade union movement on that. Of course, had we received an argument we would have had to go ahead anyway because we could not afford much longer the 17 per cent of pay-roll that it was costing us.

I point out that this Government did not take away any of the benefits enjoyed under the closed scheme. I think once a contract is made it should not be broken unless there are some very dire circumstances involved. However, in the interests of good management of this State we could not allow people to continue to join that scheme. As I said, I appreciate this second reading debate. The points that have been made are valid and even were we to disagree with the Opposition we realise that there is some validity in the arguments put forward and the comments that all speakers have made. I commend the second reading of the Bill to the House.

Bill read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

ADJOURNMENT

The Hon. FRANK BLEVINS (Minister of Labour): I move:

That the House do now adjourn.

Mr GROOM (Hartley): I want to say a few things this afternoon about small business in connection with what I consider are needed reforms to the commercial tenancies legislation. I have heard from some quarters in regard to the commercial tenancies legislation that it ought to be scrapped and we should go back to a voluntary code of practice. If that form of deregulation was introduced by this Parliament, small business would be back at the mercy of big business because, as I believe every member in this House knows, there is a gross disparity in the bargaining position of small business and big business in the marketplace and the commercial tenancies legislation went a considerable way to redressing that imbalance. I add that the measure that stemmed from the South Australian Parliament was followed in other States in varying forms and with varying content. So, we have done a lot in South Australia to assist small business but legislative change has to be monitored, updated and reviewed in the light of current events.

The first thing that I want to say does not impinge directly on the commercial tenancies legislation, but is a much needed reform that will assist commercial tenants, and that is the issue of unregistered leases. I asked a question in this House last year because in South Australia, if you have an unregistered lease and the property that you are leasing is subsequently sold, you have no protection against the new owner of the land, except in certain circumstances for about a year, but that is the only limited form of protection that you have under the Real Property Act.

As a consequence you can be liable to be evicted, because an unregistered tenancy agreement or an unregistered commercial lease is simply a contract between the lessor and lessee and it does not bind third parties unless the contract of sale expressly provides that. About 80 per cent of commercial tenants have unregistered leases, so it can be a serious problem because, if you do not have, effectively, a contract with the new registered proprietor, as I said, you can be evicted and lose your business if you do not agree to the new rental terms.

In Victoria the situation is opposite to that in South Australia. Section 42 (2) *(e)* of the Victorian Transfer of Land Act dealing with the transfer of land provides:

> ... the interest (but excluding any option to purchase) of a tenant in possession of the land.

That interest is given protection. The net effect is that in Victoria, if you have an unregistered commercial tenancy agreement and you are a tenant in possession, it does not matter whether the land is sold over your head: the onus is on the new purchaser to inquire about the terms of your commercial tenancy. The situation in Victoria is that most of the leases are not registered and that saves a considerable amount for small business.

One does not have to pay the registration fee. In addition, banks and financial institutions charge about $110 to $120 just to get consent to a lease before it is registered. There is a great advantage in Victoria for commercial tenants and I can see no reason why South Australia cannot follow suit; commercial tenants in South Australia ought to have a similar form of protection because, if a property is sold over the head of an unregistered commercial tenant, although you have rights in breach of contract against the previous owners, this can be of little immediate practical benefit because you have to deal with the new owner of the premises who can double or quadruple the rent. This happens on countless occasions. It is a much needed reform.

Another area of reform is the monetary level of the commercial tenancies legislation which is $60 000 per annum by way of rental. Clearly, that needs to be increased substantially because, as the monetary value decreases, the protection given to commercial tenants diminishes and fewer and fewer people gain the protection of this legislation. I understand that that is being reviewed by the Attorney-General, but it is a much needed reform.

Another reform that the Government has already tackled (and it has announced that it will legislate to alter the

situation) involves the tie, for example, with regard to Saturday afternoons. At present in South Australia Section 65 (2) of the Statutes Amendment (Commercial Tenancies) Act provides:

> . . . where the premises to which the commercial tenancy agreement relates form part of a group of premises constructed or adapted to accommodate six or more separate business.

That situation is exempted from section 65 (1) and it means that, if there are more than six shops, shopkeepers can be compelled to open at particular times. That has been a source of great discontent to many small businesses, particularly with the prospect of Saturday afternoon trading. Victoria has already legislated and section 3 (4) of the Shop Trading Amendment Act 1987 provides:

> The occupier of a shop is not in breach of any provision of a lease or agreement relating to the shop by reason only that the occupier does not keep the shop open between the hours of 1 p.m. and 5 p.m. on a Saturday as permitted under this section.

I know that the Government has already announced that that matter is in hand, but that projected reform will be a bonus for small businesses. One of the most serious areas that confronts small business involves capital taxes. I cannot see any justification for lessors passing on land tax and council rates to commercial tenants, because capital taxes are a tax on the owner of the land. We did not have that in the 1950s and early 1960s. A commercial tenant, just like a residential tenant, paid his or her rent and the rates and taxes were paid by the owner of the property, because legislation imposes those obligations on the owners of property.

Mr Lewis interjecting:

Mr GROOM: Just listen. With the advent of shopping centres, they used their market dominance to impose these capital taxes on small commercial tenants through the contractual provisions of leases. Why on earth should small commercial tenants pay the capital taxes of the owner of the land? It just does not make sense and there is a strong case for legislative intervention to prevent those capital taxes from being passed on to commercial tenants, because they do not share in the benefits.

Commercial tenants are paying all of the capital taxes—all the land tax and council rates—and the value of the land increases in dramatic proportion and they do not share in the cake. However, for years commercial tenants have simply paid capital taxes through these contractual provisions that were imposed on them by shopping centres. We do not get them in respect of residential tenancies where people just pay the rent. There is no justification for these capital taxes to be passed on to commercial tenants in the way in which they are passed on. Capital taxes are imposed upon the owners of the land and that is who should pay these capital taxes. They should not be passed on to commercial tenants in this way because, in most leases, there is an annual review: there is a rental review based on the CPI and in addition tenants are paying the rates and taxes. This involves a doubling up, because we all know that the rates and taxes sector is a component of the CPI. Commercial tenants are virtually paying twice.

There is a strong case for legislative intervention in this area to ensure that capital taxes are not passed on to commercial tenants and are met by the people who should properly meet them, that is, the owners of the land—the people who gain the capital expansion.

Mr McRae interjecting:

Mr GROOM: As the member for Playford says, there is an enormous case in relation to this matter. There is another area of concern to small commercial tenants. I might not have time to develop this point but, at the conclusion of a lease, a commercial tenant finds himself or herself in a very difficult position, because they have no legal tie to remain on the premises, yet they have a very strong interest through goodwill and value of the business. BOMA has a practice manual, and although I will not have time to read it all, it states:

> In strip retailing, it is difficult to justify such a refusal.

That is a refusal to renew, because we all know that small retailers are virtually held to ransom at the conclusion of their lease. They are told that they have to pay just about anything to stay in. The BOMA practice manual lists a series of exemptions which generally provide that the owner might want the premises for his own use, the premises are to be demolished, or the person has been in breach of the lease. There is a very strong case for reform in this area.

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

Mr INGERSON (Bragg): I was very interested in the comments made by the previous speaker, the member for Hartley, and, as he knows, I support 90 per cent of the comments he makes but, as to the comment in relation to capital taxes being passed on, he just does not understand the reality of the market place. The reality is that, if that capital based tax is not passed on, the rent will go up to compensate and anyone who stands in this House and says that that will not occur has no idea what the commercial reality is. That is what will happen.

So, the small businessman, from whom, the honourable member suggests, the burden should be removed will not benefit, because his rental will go up. All he is doing is imposing a wealth tax on the tenant. That is what land tax is—a wealth tax against land and property owners and small business people in this State. The Government has deliberately gone out to make sure that it can collect its tax base from a minority group of people who cannot and who will not fight back. That has just proven to be wrong because, in the last few weeks we have seen a large resurgence of support by the small business sector for arguments against the arrogant Minister of Labour in the shop trading hours issue.

One interesting letter I received this week is reflected by a previous employee, a person who is now in this House and it is reflected in the previous owner who sent the letter to me. It is an excellent letter, because it shows clearly the situation of small businessmen in shopping centres. It shows clearly their concern for the Labor Party. I will read all the letter because it is interesting. It comes from Mr Trevor Stratton, a pharmacist, who has asked me to take up this matter in Parliament.

Members interjecting:

Mr INGERSON: I hope that they have, because it is a good letter that should be on the record.

Mr Oswald: Has the old employee a copy of the letter?

Mr INGERSON: I understand that she has, and it is probably supported by her. The letter states:

> There is no need to compromise this action as it will allow small businesses in shopping centres to decide their own trading hours without being compelled by the landlord. Unfortunately, this may conflict with regional shopping centre management's policy as they consider that, if tenants do not open Saturday afternoon, the centre is seen as not providing a service and customers will look elsewhere for satisfaction.

That statement is interesting because over the past couple of weeks we have seen some outlandish statistics produced by the large retailers. Indeed, we have been told that about a million people shopped on Saturday afternoon during the first three weeks in January, but that is about the total population of metropolitan Adelaide. That is the sort of the nonsense that has been put out by some of the larger

retailers in this city. If one visited the shopping centres on one of those Saturday afternoons, one would know that it was not true. The letter continues:

Tenants in Westfield Shoppingtowns do not have a right of renewal and leases are of only three or four years duration. The tenant has no security and feels that if he does not trade Saturday afternoon his position could be jeopardised when he seeks a renewal of his lease. Tenants are being covertly intimidated by landlords and are not confident with the present tribunal's effectiveness. This genuine fear could be overcome if tenants were able to appeal to a commercial tenancies tribunal which had more 'teeth' than it's present constitution.

That is a real problem. Anyone in the retail business knows that, if one does the right thing by the shopping centre, one has no problem with the lease renewal. This Government has stated that everyone will be free to open and that, even if one decides not to open, one's lease will be renewed. However, unless the Government provides in the Bill for the option of an appeal, as pointed out in the letter, all this talk about freedom and rights will go down the drain. The letter continues:

In regional shopping centres it is up to the landlord to promote Saturday afternoon trading and, if successful, then the smaller tenants would be foolish not to open. The problem of extended trading hours is not going to be solved easily and the Government should postpone the introduction of extended trading hours until a full inquiry can be undertaken involving all interested parties who can evaluate the effect that extended trading hours has had interstate and the possible consequences if introduced to South Australia.

Then there follows a list of some of the people who should be involved. The letter continues:

Previous discussions have only involved the shop assistants union and the RTA, which is not truly representative of all parties.

That argument has been clearly put to this Government by the small operators in the metropolitan area: that, if one wants cooperation one must talk to a whole group, not to a select group or a group representing principally big business, and the Retail Traders Association clearly represents mainly the large retailers in the city. The Government, especially the Minister of Labour, has not listened to the small operators. The letter continues:

It is obvious that:

(1) The Parliament does not want extended trading hours.

The Minister has recognised this important issue on radio this morning. The letter continues:

The Government should feel uncomfortable in continuing Saturday afternoon trading by immoral proclamation when it is against the people and Parliament's wishes. It is undemocratic and reeks of the dictatorship of a banana republic.

I could not have put it better myself. I notice that the member for Hayward is smiling. The letter continues:

(2) The majority of shop assistants do not want extended trading hours as they cherish their traditional leisure and sporting time on weekends and do not want their lifestyles threatened.

In my other role as shadow Minister of Recreation and Sport I have been interested to hear the netball and softball people complaining about girls being unable to play and about their not being able to get umpires. So, it is not just a matter affecting the small retailer: this matter has a community effect in respect of the social injustice that would be created. The letter continues:

(3) The shop assistants union is not interested in it's members lifestyles, but only in the terms and conditions for the hours involved.

That is clear from the industrial award application. The letter continues:

(4) The Housewives Association does not want extended trading hours.

(5) Sporting bodies do not want extended trading hours.

(6) The churches do not want extended trading hours . . .

(7) The Retail Traders Association is the only body committed to extended trading hours, but does not represent the majority of retailers . . .

(8) The media has influenced the public into believing that they require more trading hours, but the media's motives are questionable—they would appear to be supporting their major advertising clients.

(9) The public is unable to comprehend or evaluate that extended trading hours will increase the cost of goods or reduce services. This is not a perceived threat as the consumer believes that the surviving successful retailers will continue to offer service and value.

(10) Total retail sales won't increase; only the share and pattern will alter. It is inconsistent that the public considers that Thursday and Friday nights plus Saturday mornings is insufficient 'extra time' to shop, when figures show that we are serving the same number of people, but over a longer period of time.

(11) Our overhead expenses have increased 10 per cent, whilst our wages have increased considerably ...

(12) Small business will suffer at the expense of big business.

There is no question about that. The letter continues:

(13) Managing a small business in today's climate is difficult. Having identified the issues involved with the subject of extended trading hours, there would appear to be no immediate solution. However small business organisations are now sufficiently motivated to contribute constructive suggestions to this problem and that a full inquiry be undertaken . . . Extended trading on Saturday should be postponed until this inquiry is completed.

That is the only area in which I disagree with the writer of the letter. Once the proclamation has finished in a couple of months' time, the thing should be buried where it deserves to be buried. If Government backbenchers and all members on this side are down at the grassroots, where the Premier says that all members should be, they will recognise clearly that the community is not interested in Saturday afternoon trading. A pragmatic politician such as the member for Fisher could be expected to put pressure on the Premier, and in particular on the arrogant Minister of Labour, to throw out extended shopping hours on Saturday afternoon once and for all.

Mr TYLER (Fisher): I relish the opportunity to use this adjournment debate to draw to the attention of the House a problem that has been all too obvious to me during my 10 years as a resident of the southern suburbs, and that is the quality, or should I say, lack of quality of the local water supply. There has been much publicity during recent weeks about the deplorable conditions that we residents of the southern suburbs have had to put up with. Indeed, the southern Messenger Press of Wednesday 3 February carried a front page story outlining the concerns of some residents, especially a Morphett Vale resident who claimed that the water was affecting the health of her 20-month child. She said that she would be campaigning to win Government action to improve the quality of the water.

Mr Duigan: Does she have your support?

Mr TYLER: She most certainly has my support. Indeed, I join with local residents in their grievance. Today's Messenger press further publicises the quality of the water in the southern suburbs. However, it is a little misleading for residents in the southern area, and I do not believe that it contributes much to the debate on water. Although I do not believe that the journalist concerned deliberately tried to mislead people, I believe that it is incumbent on me as a member of Parliament to put the record straight. The article in this week's *Southern Times*, under the heading '200 at meeting call for early start on filtration plant: clean water fight is on!', and written by journalist Stephanie Francis states:

A campaign to win decent water supplies for the South surged ahead last week when more than 200 vocal residents vowed to 'fight all the way' [and I do not doubt that] for an early start on local filtration plants.

I assure residents of the southern suburbs and Ms Francis that the Happy Valley filtration plant has been under way for quite some time. However, like all other residents, I urge the Minister of Water Resources to undertake to start the Myponga filtration plant at the very earliest opportunity. As I have said, as a resident of 10 years standing, I can only agree that the water is not good. It is particularly poor at this time of the year when the water is discoloured by the stirring up of the sediment in the pipes as more water is used during the summer months.

This issue has been of major concern to my colleagues in the southern suburbs, particularly the member for Bright, the member for Mawson and the member for Baudin. It would be fair to say that we are very lucky to have the member for Baudin, who is the Minister of Water Resources, as a local resident, because he knows at first hand the problems that residents of the southern suburbs face. That is not only so on water issues. It is also a great feeling to know that the Deputy Premier is a local resident and is sympathetic on a whole range of issues that affect developing suburbs, such as my electorate.

I am mindful of the fact that the Bannon Government got the construction of the Happy Valley water filtration plant up and running, although I acknowledge that the commencement date was in the dying days of the Tonkin Government. I do not believe that the issue should be a Party-political football. Indeed, it would be fair to say that water filtration is a major health prevention initiative that should be treated in a bipartisan way. However, it is a sad fact—and the people of the southern suburbs should be well aware of this—that it was the Tonkin Government, in conjunction with its Federal Liberal colleagues, that set back Adelaide's filtration program in its three years in Government in South Australia. The program had been set under way by the Dunstan Government, and it was not until John Bannon was elected as Premier that the filtration of Adelaide's water supply got back on the rails.

Work began on the Happy Valley water filtration plant in 1982, which was in the dying days of the Tonkin Administration. It was the fifth and by far the largest water filtration plant in the metropolitan Adelaide program. When completed, it will serve approximately 450 000 people, or just under 50 per cent of the metropolitan area population. The Happy Valley water filtration plant is being constructed on a peninsula between the two outlet tunnels at the Happy Valley reservoir. That is geographically the dead centre of my electorate and is approximately 700 metres from the southern area depot of the Engineering and Water Supply Department. People travelling north along Chandlers Hill Road can see the plant under construction to the north-east. The plant, which is quite visible and spectacular, is due for commissioning in the early 1990s. However, I am delighted with the undertaking given to me last week in this place by the Minister of Water Resources that he was examining options for providing further funds to accelerate the construction program.

The Hon. P.B. Arnold: What about Myponga?

Mr TYLER: You weren't listening earlier. The member for Chaffey interjects out of his seat. He was not listening. I said earlier that I called for an early start to the Myponga filtration program.

Members interjecting:

The DEPUTY SPEAKER: Order!

Mr TYLER: Thank you, Sir. As the Minister told Parliament last week, he was hopeful that an acceleration of the construction program could be achieved but he pointed out that it was difficult because money was not the only problem in completing a project of this size. To some degree, its completion relies on the purchase of equipment overseas, the timing for which was worked out some years ago. It is interesting that the member for Chaffey should raise his head, because we would have filtered water now if it was not for his administration when he was Minister of Water Resources. I acknowledge that the Happy Valley filtration plant started in the dying days of his administration but, as I said, I do not want—

An honourable member interjecting:

The DEPUTY SPEAKER: Order! There will be only one contribution at a time.

Mr TYLER: I will try to ignore the inane interjections of the member for Chaffey. Another problem remains for the State Government, which has experienced considerable frustration in trying to complete this plant. For instance, the devaluation of the Australian dollar has not helped, and it has been a major contributor to the cost escalation of the project. When construction started, the cost was supposed to be of the order of $40 million. It has now become over $85 million. I would not be surprised that, when the plant is finally commissioned, the cost will approach the $100 million mark.

In addition, the decline in grants from the Federal Government has been a major obstacle for the State Government to come to terms with. Despite all these problems, the Minister of Water Resources should receive credit in a bipartisan way from the member for Chaffey because he has done a remarkable job to keep the Happy Valley water filtration plant on schedule. Furthermore, I am assured by the Premier and the Minister of Water Resources that the Government is 100 per cent committed to the completion of the Happy Valley water filtration plant. They assure me that my constituents and the residents of the areas surrounding my electorate will have crystal clear water by the early 1990s at the very latest.

Although I am well aware of the Bannon Government's efforts and commitment in this regard, I can understand residents being upset, angry and frustrated about the poor quality of water that they receive. I can also understand and appreciate that their reaction might be to threaten to boycott paying their water rates. However, I must say that that will not achieve anything. In fact, it could delay the day when the residents of the southern suburbs receive filtered water.

It is a fact that we live in the driest State in the driest continent on Earth and that this has implications for the supply of good quality water. In my discussions with engineers, the people whose job it is to keep the water flowing in South Australia, I am told that it is an achievement in its own right that we in South Australia actually have running water from our taps in our homes. It is an achievement that involves a very expensive operation that sometimes is not fully appreciated by people who pay water rates. It is also fair to say that it is an achievement that we in this country and in this State take for granted.

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

Motion carried.

FRUSTRATED CONTRACTS BILL

Received from the Legislative Council and read a first time.

At 4.58 p.m. the House adjourned until Thursday 18 February at 11 a.m.