HOUSE OF ASSEMBLY

Tuesday 28 April 1992

The House met at 2 p.m.

The CLERK: I have to advise the House that, owing to absence overseas on Commonwealth Parliamentary Association business, the Speaker will not be able to attend the House this week.

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

That, pursuant to section 35 of the Constitution Act 1934 and Standing Order 18, the member for Elizabeth (Mr M.J. Evans), Chairman of Committees, do take the Chair of this House as Deputy Speaker to fill temporarily the office and perform the duties of the Speaker during the absence from the State of the Speaker on Commonwealth Parliamentary Association business.

Motion carried.

The DEPUTY SPEAKER (Mr M.J. Evans) took the Chair and read prayers.

MFP DEVELOPMENT BILL

At 2.2 p.m. the following recommendations of the conference were reported to the House:

As to Amendment No. 1:

That the Legislative Council do not further insist on this amendment.

As to Amendment No. 2:

That the House of Assembly do not insist on its disagreement to this amendment.

As to Amendment No. 3:

That the Legislative Council do not further insist on this amendment.

As to Amendment No. 4:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 2, line 5 (clause 3)—Leave out 'proclamation under this section' and insert 'regulation'.

and that the Legislative Council agree thereto.

As to Amendments Nos 5 and 6:

That the Legislative Council do not further insist on these amendments.

As to Amendments Nos 7 and 8:

That the House of Assembly do not insist on its disagreement to these amendments.

As to Amendments Nos 9 and 10:

That the Legislative Council do not further insist on these amendments and the House of Assembly make the following amendments in lieu thereof:

Page 2, line 23 (clause 3)—Leave out 'Subject to subsection (3), the Governor may, by proclamation' and insert 'The Governor may, by regulation'.

Page 2, lines 27 to 31 (clause 3)—Leave out subclause (3).

and that the Legislative Council agree thereto.

As to Amendment No. 14:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 4, line 3 (clause 8)—Leave out 'plan and develop and manage' and insert 'plan and manage and coordinate the development of'.

and that the Legislative Council agree thereto.

As to Amendment No. 15:

That the Legislative Council do not further insist on this amendment.

As to Amendment No. 16:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 4, lines 27 to 29 (clause 8)—Leave out subclause (2) and insert—

(2) In carrying out its operations, the corporation may consult with and draw on the expertise of—

(a) administrative units and other instrumentalities of the State;

and

(b) Commonwealth Government and local government bodies,

with responsibilities in areas related to or affected by those operations and may draw on the expertise of non-government persons and bodies with expertise in areas related to those operations.

and that the Legislative Council agree thereto.

As to Amendment No. 17:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 4, line 34 (clause 9)—Leave out paragraph *(b)*.

and that the Legislative Council agree thereto.

As to Amendment No. 18:

That the Legislative Council do not further insist on this amendment.

As to Amendment No. 19:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 5, after line 16—Insert new clause as follows:

Environmental impact statement for MFP core site

11a. The corporation must not cause or permit any work that constitutes development within the meaning of the Planning Act 1982 to be commenced within the part of the MFP core site shown as Area A in Schedule 1 unless the development is of a kind contemplated by proposals for development in relation to which an environmental impact statement has been prepared and officially recognised under Division II of Part V of that Act.

and that the Legislative Council agree thereto.

As to Amendment No. 20:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendments in lieu thereof:

Page 5, line 18 (clause 12)—After 'land' insert 'within a development area'.

Page 5, lines 20 and 21 (clause 12)—Leave out 'MFP core site or brought within the MFP core site by proclamation under this Act' and insert 'area of the MFP core site defined in Schedule 1'.

and that the Legislative Council agree thereto.

As to Amendment No. 21:

That the Legislative Council do not further insist on this amendment.

As to Amendment No. 28:

That the Legislative Council do not further insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 10, lines 17 to 31 (clause 25)—Leave out subclause (2) and insert—

(2) The members of the Advisory Committee must include—

(a) a person selected by the State Minister from a panel of three nominated by the Local Government Association of South Australia;

(b) a person selected by the State Minister from a panel of three nominated by the Conservation Council of South Australia Incorporated;

(c) a person selected by the State Minister from a panel of three nominated by the South Australian Council of Social Service Incorporated;

(d) a person selected by the State Minister from a panel of three nominated by the Chamber of Commerce and Industry S.A. Incorporated;

(e) a person selected by the State Minister from a panel of three nominated by the United Trades and Labor Council of South Australia;

(f) a person who will, in the opinion of the State Minister, provide expertise in matters relating to education;

(g) a person who will, in the opinion of the State Minister, provide expertise in matters relating to environmental health;

and

(h) a person who will, in the opinion of the State Minister, appropriately represent the interests of local communities in the area of or adjacent to the MFP core site.

and that the Legislative Council agree thereto.

As to Amendment No. 29:

That the House of Assembly do not insist on its disagreement to this amendment.

As to Amendment No. 31:

That the House of Assembly do not insist on its disagreement to this amendment.

As to Amendment No. 33:

That the Legislative Council do not further insist on this amendment.

As to Amendment No. 34:

That the Legislative Council do not insist on this amendment and the House of Assembly make the following amendment in lieu thereof:

Page 12, after line 30—Insert new clause as follows:

Reference of Corporation's operations to Parliamentary Committees

32a. (1) The corporation's budgets are subject to annual scrutiny by the Estimates Committees of the Parliament.

(2) The economic and financial aspects of the corporation's operations and the financing of those operations are referred to the Economic and Finance Committee of the Parliament.

(3) The environmental, resources, planning, land use, transportation and development aspects of the corporation's operations are referred to the Environment, Resources and Development Committee of the Parliament.

(4) The corporation must present reports to both the Economic and Finance Committee and the Environment, Resources and Development Committee detailing the corporation's operations as follows:

(a) a report detailing the corporation's operations during the first half of each financial year must be presented to both committees on or before the last day of February in that financial year;

(b) a report detailing the corporation's operations during the second half of each financial year must be presented to both committees on or before 31 August in the next financial year.

(5) The corporation may, when presenting a report to a committee under this section, indicate that a specified matter contained in the report should, in the opinion of the corporation, remain confidential, and, in that event, the committee and its members must ensure that the matter remains confidential unless the committee after consultation with the corporation and the State Minister, determines otherwise.

(6) The Economic and Finance Committee must report to the House of Assembly not less frequently than once in every 12 months on the matters referred to it under this section.

(7) The Environment, Resources and Development Committee must report to both Houses of Parliament not less frequently than once in every 12 months on the matters referred to it under this section.

and that the Legislative Council agree thereto.

As to Amendment No. 35:

That the House of Assembly do not insist on its disagreement to this amendment.

As to Amendment No. 39:

That the Legislative Council do not further insist on this amendment.

As to the Suggested Amendment:

That the Legislative Council do not further insist on this suggested amendment.

PETITION: GAMING MACHINES

A petition signed by 43 residents of South Australia requesting that the House urge the Government not to introduce gaming machines into hotels and clubs was presented by Mr D.S. Baker.

Petition received.

PETITION: INTELLECTUALLY DISABLED

A petition signed by 438 residents of South Australia requesting that the House urge the Government to provide adequate services to the intellectually disabled was presented by the Hon. P.B. Arnold.

Petition received.

PETITION: ELDERLY CITIZENS

A petition signed by 1 666 residents of South Australia requesting that the House urge the Government to take action to stop the physical abuse of elderly citizens was presented by Mr Atkinson.

Petition received.

PETITION: PUBLISHING STANDARDS

A petition signed by 235 residents of South Australia requesting that the House urge the Government to stop reduced standards being created by publishers of certain magazines and posters debasing women was presented by Mr Becker.

Petition received.

PETITION: ARTS AND CULTURAL HERITAGE

A petition signed by 4 200 residents of South Australia requesting that the House urge the Government to maintain levels of public investment in arts and cultural heritage was presented by Mr Groom.

Petition received.

PETITION: TRAIN TICKETS

A petition signed by 719 residents of South Australia requesting that the House urge the Government to make the purchase of tickets available on trains and that the needs of disadvantaged commuters be met was presented by Mr Matthew.

Petition received.

PETITION: GRAFFITI

A petition signed by 532 residents of South Australia requesting that the House urge the Government to legislate to control graffiti was presented by Mr Matthew.

Petition received.

QUESTIONS

The DEPUTY SPEAKER: I direct that written answers to the following questions on the Notice Paper, as detailed in the schedule that I now table, be distributed and printed in *Hansard*: Nos 334, 353, 381 to 383, 403, 416, 418, 420, 421, 428, 433, 435, 438, 443, 449, 450, 497, 498, 500, 502, 503 and 530; and I direct that the following answer to a question without notice be distributed and printed in *Hansard.*

EMU FARMING

In reply to **Mr LEWIS (Murray-Mallee)** 1 April.

The Hon. S.M. LENEHAN: In the budget session of Parliament, I intend to introduce amendments to the National Parks and Wildlife Act which provide, among other things, for the commercialisation of certain wildlife species. These amendments have been the subject of considerable discussion with both the farming and conservation community over the past several months. Furthermore, the Reserves Advisory Committee, the statutory authority established under the National Parks and Wildlife Act, has been refining the content of those amendments prior to their submission to Parliament.

Interest has already been expressed by a number of people in South Australia in becoming involved in the farming of emus. It is important before such activities take place that a mechanism is in place to ensure that commercial use of these species is undertaken within an appropriate framework ensuring protection

of the species in the wild and code of practice for their husbandry. Amendments proposed in the legislation include the development of management plans for the species and codes of practice to be subject to public comment before adoption by me as responsible Minister. I look forward to the support of the honourable member when these amendments are introduced into Parliament later in the year.

PAPERS TABLED

The following papers were laid on the table:

By the Minister of Health (Hon. D.J. Hopgood)—
South Australian Council on Reproductive Technology—Report to 31 March 1992.
Controlled Substances Act 1984—Regulations—Carfentanyl.

By the Minister of Agriculture (Hon. Lynn Arnold)—
Agricultural Chemicals Act 1955—Regulations—Fees.
Fees Regulation Act 1927—Regulations—Stock Medicines Fees.

By the Minister of Fisheries (Hon. Lynn Arnold)—
Fisheries Act 1982—Regulations—Exotic Fish—Diseases.

By the Minister of Education (Hon. G.J. Crafter)—
Director-General of Education—Report 1991.
Privacy Committee of South Australia—Report 1991.
Senior Secondary Assessment Board of South Australia—Report 1991.
Corporations (South Australia) Act 1990—Regulations—Leave Without Pay.

By the Minister of Transport (Hon. Frank Blevins)—
Motor Fuel Licensing Board—Report 1991-92.
Metropolitan Taxi-Cab Act 1956—General Regulations.

By the Minister of Recreation and Sport (Hon. M.K. Mayes)—
South Australian Sports Institute—Purchase Orders and Financial Delegations.

By the Minister for Environment and Planning (Hon. S.M. Lenehan)—
Clean Air Act 1984—Regulations—Fees.

By the Minister of Employment and Further Education (Hon. M.D. Rann)—
District Council By-laws:
Beachport: No. 7—Bees.
Mallala: No. 1—Permits and Penalties.
No. 2—Streets and Public Places.
No. 3—Garbage Removal.
No. 5—Caravans and Camping.
No. 6—Animals and Birds.
No. 7—Bees.
No. 8—Foreshore.
No. 9—Repeal and Renumbering of By-laws.

MINISTERIAL STATEMENT: JUVENILE ABSCONDER

The Hon. D.J. HOPGOOD (Deputy Premier): I seek leave to make a statement.

Leave granted.

The Hon. D.J. HOPGOOD: I understand that there is some expectation on the part of members that I make a ministerial statement today, so I would be the last to disappoint them. The statement is about the escape of a 17-year-old youth while in the custody of officers from the Department for Family and Community Services. My statement will address two questions: first, the decision in the first place to allow the boy to go to Perth; and, secondly, the security of the escort.

Staff at SAYTC felt there was a real risk of this youth committing suicide if he was not allowed to attend the funeral. This was no idle threat, but a view formed after seeing the child's behaviour deteriorate over a number of days. Tragically, there has been one Aboriginal death in custody in SAYTC and another suicide in the Aboriginal community only a few days before this event, here in South Australia. This death, of a 24-year-old who was well known and/or related to the Aboriginal children at SAYTC, had a profound effect on those in the centre, especially the 17-year-old in question. Coupled with the death of his grandmother, his condition began deteriorating, and staff began to closely monitor his behaviour. I will outline to the House the sequence of events.

On Monday 20 April at 5.10 p.m. the child was informed by telephone that his grandmother had died in Perth. On Tuesday morning, a staff member at SAYTC wrote to the CEO expressing concern about the child and forwarding the child's request that he be allowed to go to the funeral. That morning, the request was refused because of the distance involved. This news further upset the child: it appears his grandmother had been like a mother to him. On Wednesday, Mr George Tongerie, an Aboriginal elder in the South Australian community, visited the centre. Although he had originally agreed with the decision not to send the child to the funeral, Mr Tongerie said that, in view of his mental state and deteriorating condition, all attempts should be made to get him to Perth. By Thursday, staff at SAYTC grew increasingly concerned with the behaviour of the child, and had earlier that morning received a telephone call from the child's mother in Perth, pleading that her son be allowed to attend the funeral.

Staff decided that, given the child's behaviour and the advice from Mr Tongerie, he should be allowed to go to the funeral. Although I did not have to approve it and indeed was not aware of the decision, I fully supported it, as did Judge Brian Crowe, of the Adelaide Children's Court, who is the Chair of SAYTC's review board. After all, the Royal Commission into Aboriginal Deaths in Custody highlighted the need for an examination of how we deal with Aborigines in custody.

This issue is of great relevance to FACS, considering that 35 per cent of the offenders at SAYTC are Aboriginal. Given the decision to send the youth, the next move was to get him there and back, bearing in mind the security arrangements of such a trip. I am informed it is normal procedure for interstate escorts to use domestic flights. In this case, there was no problem booking flights to Perth, but direct return flights were fully booked until today, that is, Tuesday 28 April, no doubt due to the school holiday traffic. The alternative was to fly to Perth on the morning of the funeral, and then catch a 12.30 a.m. flight from Perth to Adelaide via Sydney. This option was considered cumbersome and fraught with security difficulties. The Adelaide-Perth-Sydney-Adelaide route was also expensive, costing $1 366 per person, that is, a total of $4 098, with the added expense of accommodation. The alternative of chartering a light plane, at $4 600, was considered cost effective, provided the best security option and enabled a same day return flight from Adelaide to Perth.

I will now turn to events in Perth. Two staff accompanied the youth and it was arranged that two Aboriginal police aides would be at the airport to provide extra security and escort them to the funeral and back. The flight was delayed, and the plane touched down 20 minutes after the funeral had actually begun. The two police aides could not be found at the airport, so the two FACS officers hired a taxi and went to the funeral, with the boy, of course.

Once they arrived at the funeral, attended by more than 500 people, he was allowed some time to be with members of his family. During this time he was being observed at a distance by the two officers. Unfortunately, as people began

to leave the cemetery, the two FACS officers lost sight of the child. After searching the cemetery to no avail, they went to the nearest police station to report him missing.

I have this morning received a full report from my Chief Executive Officer, who has indicated that she will be disciplining the two officers concerned. It is clear the two escorts failed to take proper action when escorting the youth. I will also be writing to the Police Minister in Western Australia regarding the apparent—I stress that—lack of support by Western Australian authorities in this matter. Given the information already provided to the police, I trust that it will not be much longer before he is taken into custody. I have also requested that greater attention be paid to a child's previous offending history before a decision of this nature is made in the future, although in these circumstances I do not believe it would have affected the decision to send the child to Perth.

As well, FACS will be talking with Aboriginal officers to consider the issues surrounding attendance at funerals, which will include security arrangements, support mechanisms and the options for attendance at interstate funerals. Obviously, this is a regrettable incident, but I am satisfied the actions taken by the department will help to ensure incidents like this do not happen again.

MINISTERIAL STATEMENT: ABORIGINAL ARTEFACTS

The Hon. S.M. LENEHAN (Minister for Environment and Planning): I seek leave to make a statement.

Leave granted.

The Hon. S.M. LENEHAN: On 30 August 1991 an agent acting for Mr Carl Strehlow requested approval for the sale of certain Aboriginal objects as required under section 29 of the Aboriginal Heritage Act. Acting on advice of the Aboriginal Heritage Branch that the Northern Territory Government should have first option to purchase the objects, followed by a second option to the South Australian Museum, I issued authorisation on 14 February 1992 subject to those conditions.

On 19 March this year, the South Australian Museum drew to my attention that at least some of the items may already be owned by the Northern Territory Government under a previous agreement. Following receipt of this information, I wrote to Mr Carl Strehlow's legal representative on 25 March 1992, advising that I would not be prepared to issue authorisation for the sale of the material.

In addition, I wrote to my Territory and Federal colleagues and the Central Land Council informing them of my decision and seeking their advice on this matter. As a result, the Central Land Council made further representations expressing opposition to any sale and requested that all the sacred objects be returned to Central Australia to be held by their rightful custodians.

Following these representations, I wrote to the interested parties proposing that the objects be surrendered under the provisions of the Aboriginal Heritage Act for a period not exceeding three months while ownership was determined. Both the Central Land Council and the Northern Territory Government have now agreed to the proposal to verify the nature of the items held by Mr Strehlow. In his letter dated 24 April 1992, the Northern Territory Minister for Conservation wrote:

> First, may I express my appreciation for your action to prevent the sale of the artefacts held by Mr Strehlow. The items currently offered for sale by his agent represent an integral part of the Strehlow collection. As such, they have great heritage value to the Northern Territory.

The letter went on:

> I have advised the director of the Central Land Council of my decision and that the Northern Territory Government would not object to an examination of the artefacts offered for sale by an anthropologist employed by the council.

Accordingly, I have today written to Mr Carl Strehlow advising him of my decision to order an immediate surrender of these items for a period not exceeding three months while their authenticity and ownership is determined.

On 16 April 1992 I received a letter from solicitors representing Mr Strehlow seeking advice of what arrangements would be required for an inspection, and that letter give an undertaking that there was no intention of removing the objects from their current position and expressed a desire to comply with the law in all respects. I would like to commend Mr Strehlow for his willingness to cooperate in this matter. I have also today met with Mrs Strehlow and informed her of my decision. I believe it is most important to ensure that everything possible is done to return sacred and significant items of Aboriginal heritage to their rightful owners, the Aboriginal people.

QUESTION TIME

STATE BANK

Mr D.S. BAKER (Leader of the Opposition): Will the Treasurer reveal the full net cost to the State Bank from its sale of Oceanic Capital Corporation and the level of non-productive loans remaining in the State Bank after the sale of United Bank Limited? The Treasurer approved the purchases of Oceanic in 1988 and United in 1990. The sale of both companies has been announced, but the bank is refusing to reveal details of what each has cost in net terms and the ongoing liability of bad loans still held within the State Bank following their transfer from United. The bank has said it will not provide this information on the grounds of commercial confidentiality, but the Treasurer has powers under the $2.2 billion indemnity agreement with the bank to require it to do so. Only then can taxpayers, who ultimately are meeting these liabilities, be fully informed.

The Hon. J.C. BANNON: I understand that the proposition from the Leader of the Opposition is that he is prepared to be quite reckless with the commercial operations of the bank and have no regard to what it said. I notice that in his response the Leader of the Opposition did not refer to the fact that the bank has offered him and is always available to provide him with briefings on these matters in considerable detail. It is prepared to keep faith—

Mr D.S. Baker interjecting:

The Hon. J.C. BANNON: Well, he is accusing Mr Nobby Clark, Mr Johnson—the new management and board—of having the same attitudes as before. Well, that is very good, Mr Deputy Speaker; that is very good, too.

Members interjecting:

The DEPUTY SPEAKER: Order!

The Hon. J.C. BANNON: You can see why his colleagues are desperate to replace him in the face of that performance. If he is saying that he has no confidence in Mr Nobby Clark and Mr Johnson—if that is what he is saying—if he does not want to have the briefings that are offered, but he does want to try to wave around the commercial operations of the bank in a totally negative way in this Parliament, let him come clean and say so, because that is what he is on about.

I found it quite appalling that the Leader and his Deputy, still hot on the track of the State Bank—despite the fact that since early 1991 there has been a new board, new

management, new directions and a new mission statement all working to ensure that the bank gets back on its feet—are prepared unremittingly to denigrate and attack the bank at every opportunity. I must qualify that: not every opportunity but those opportunities when it suits them. What was Opposition members' response to this decision made by the bank, fully explained, announced and understood? Their reaction was to raise a series of questions, to talk about losses and to imply that there was something wrong in what was going on. That sits very oddly indeed with the response to the mission statement on which this activity is based.

The Leader, who is getting up here and questioning the bona fides of the new Chairman and his board, is the same Leader who said 'We applaud the decisive actions taken by the new Chairman.' Yes, it suited him to applaud them then. He wants to get in on the act. When it suits him he wants to be right in there as part of the action. His statement continues:

> This is the decisive action taken by the new Chairman. They [these actions] are a vindication of the Opposition's calls for the State Bank to be serving the needs of South Australia rather than being involved in grandiose schemes interstate and overseas.

So, what happens? The bank announces the sale of an asset, a sale on the best possible terms, and members opposite are braying in opposition to it. Where does that statement fit in with their attitude? When the mission statement itself was released, Mr Baker welcomed the announcement. It suited him to welcome it then but, when he feels he can do a bit of stirring, undermining and wrecking, he is into it now and has changed his mind. He talks about long overdue reforms being undertaken by the bank, and so on; we could go on and on. When it suits them, Opposition members are very keen to respect the new management and board and the commercial integrity of the bank, and when it does not suit them—when they are egged on and believe they can get some cheap advantage—off they go again. It is disgraceful, and it really should stop.

Members interjecting:

The DEPUTY SPEAKER: Order! The member for Heysen and the Deputy Leader are out of order.

The Hon. J.C. BANNON: The information is available on the briefings to the Leader of the Opposition. The provisions on those New Zealand operations have, in fact, been made; they are contained in the reports. The Opposition's confusion between the overall and general New Zealand operations of the State Bank, confusing that with the United Bank and that particular transaction, can all be clarified for it. Instead of dashing into print, instead of casting stones, let members opposite do a bit of basic inquiry and show some responsible action in the future.

USED CAR IMPORTS

Mr QUIRKE (Playford): My question is directed to the Minister of Industry, Trade and Technology. Does the State Government support moves to stop the ban on used car imports? Late last year the Federal Cabinet decided to impose a $12 000 tariff from July this year on the importation of secondhand cars. However, there are now new pressures on the Federal Government to overturn the decision. What would be the ramifications for the South Australian car industry if that were to happen? The *Weekend Australian* states:

> Federal backbenchers from the Government and Opposition are concerned about the stance their Parties are taking on the importation of cheap secondhand cars from Japan, an issue set to be the next testing ground for tariff policy.

Mr Venning: But you drive a Volvo.

The DEPUTY SPEAKER: Order!

The Hon. LYNN ARNOLD: I thank the honourable member for this very important question. It would be very worthwhile if the Opposition would deign to treat the question with the importance that is due to it. The State Government does not support moves to remove the ban, or the effective ban, on used car imports into this country. We strongly support the maintenance of that ban and, indeed, take full credit as one of the key players who saw that ban introduced in the first place.

We were approached last year by the automotive producers in this State, who highlighted the fact that there was a danger that this activity was about to take place, that there was an application to import cheap used cars from Japan into this country in vast numbers that would pull the rug from under the automotive industry in this State. They expressed their concern to us, and we immediately argued the case before the Federal Government—the Premier and myself were involved in meetings with Federal Ministers on this and other matters—and very shortly thereafter the decision was made by the Federal Government to introduce the $12 000 tariff plus the quota on the cars that are brought into this country.

So this Government has not resiled from that position. We strongly stand by the decision we made last year to take that stance. I should like to point out what the actual impact of this has been in New Zealand, where the New Zealand Government has allowed importation of a vast number of used cars. The situation in New Zealand is that new car sales have been decimated. In 1990, 88 000 used Japanese cars went into New Zealand. That represents over 60 per cent of car sales in that country. That is a shocking indictment on the decision by that Government to see such a situation take place. What were the plans for the self same people that wanted to do it in this country? The people who did that in New Zealand are the same people who wanted to do it in this country—not a different consortium, but the same group. What was their plan for this country? Their plan was for the introduction of 200 000 used Japanese cars into this marketplace, into a market which in this current year is barely over 500 000, all up, with imports of new cars included.

I am glad to see the member for Bragg, the shadow Minister of Industry, nodding his head in concern at this point. I wish that the Federal member for Barker, Mr Ian McLachlan, would show the same concern. His attitude on this matter is that he calls this $12 000 tariff that has been put on a punitive tariff. What is the reality? The reality is that these used cars that would be sold in Australia, if this syndicate had its way, are being bought at deflated prices. Why are they deflated prices? They are deflated prices because of the way that the Japanese used car market is organised. Because of the punitive registration duties within the Japanese market, it no longer becomes a reasonable proposition to keep a car after it is three or four years old, and so the price for a three or four year old vehicle is artificially deflated; in other words, this is no market price, no fair market price, but a deflated price caused by Government regulation in Japan. This Western Australia company would have us import those vehicles into Australia at this artificially low price, which would pull the rug from under those with jobs in the Australian automotive industry.

An honourable member: A shame.

The Hon. LYNN ARNOLD: It is a shame, and it is an indictment on those who would want to support such a situation. The reality is that, had those cars been allowed to come in—and they were talking about Mazda 626s as

being the cars to come in, and the price for a vehicle like that in Japan, about four years old, is about $6 000—with the transport costs and other modifications in this country, they would still sell at a much cheaper price than a four year old vehicle of the same brand in this country, and it would be substantially cheaper. We have an obligation to protect the automotive industry in this country against what is blatantly unfair competition. I do not think that anyone, with any logic, could argue that this proposal was fair competition. It is certainly unfair competition and we should not have to cop it. The jobs of those in the automotive factories in this country should not be put at special risk by these cars being brought into this country.

I hope that all members of this place will support the stand taken by this Government, so that we can ensure that the Federal Government recognises how important it is, and that it stands by the decision it made following our representations last year, for which we commend it. I hope that members of the Opposition call on their Federal colleagues also to rally behind these many tens of thousands of people whose jobs rely on the automotive industry in this country—jobs that should not be expendable at the whim of those who are quite prepared to have Australia suffer unfair trading from another country.

STATE FINANCES

Mr S.J. BAKER (Deputy Leader of the Opposition): In view of this morning's front page report in the *Financial Review* that South Australia's finances are in the worst shape of all the States—and the report refers to South Australia's being a basket case—will the Premier reveal South Australia's contribution to the estimated $7.3 billion budget deficit for all the States in 1992-93, tabled at Sunday's meeting of Premiers?

The Hon. J.C. BANNON: I think that the report—which, naturally, I refute totally—referred to some sources as having used that term, and I fear greatly that the sources concerned, if anyone wants to read reports of this place, would be members of the Opposition. They must be very pleased with themselves, because not only are they having an influence on thinking within this State but, obviously, having some effect interstate as their remarks are being picked up there. It is outrageous, but those sorts of comments are comments that could come only from those who wish to try to bring down the South Australian economy in some way, or they are the sorts of comment that members of the Opposition, who profess that that is not their intention, would make.

Members interjecting:

The Hon. J.C. BANNON: It is quite disgraceful. The Deputy Leader, who keeps interjecting because he does not like to hear this, wants none of this on the record. He knows very well that he is probably a prime source for the *Financial Review*, an interstate paper, to make some sort of offhand remark like that. The truth is otherwise, and it is typical of the misrepresentation of which South Australians had better be careful.

Members interjecting:

The DEPUTY SPEAKER: Order! The Deputy Leader has asked his question.

The Hon. J.C. BANNON: It gets picked up interstate, and misinformation of that kind has some impact. Another classic example, I think, was the front page of our weekend paper, talking about taxes. What the Australian Bureau of Statistics bulletin showed—which was not reported—was that we have the second lowest tax level in the country. While it was reporting on increases in a particular year, it did not look over a four or five year span but said, 'There are more in this year'; it did not notice that there were fewer in other years and that, in fact, we have an extremely reasonable and well controlled environment.

These are the facts. You ask why do we in South Australia want to keep punishing ourselves by the implication that we are worse off. Instead of asking questions as the Deputy Leader does, why is he not standing up and denouncing the *Financial Review* and its approach? Because it does not suit him at all. It does not suit his purpose of denigrating the economy. I point out that those estimates are a collective estimate.

Members interjecting:

The DEPUTY SPEAKER: Order! There is far too much audible conversation from my left, and I ask members of the Opposition to listen to the replies with some degree of order and dignity. The honourable Premier.

The Hon. J.C. BANNON: What the article and, indeed, the proceedings I chaired on Sunday were demonstrating is that all States are in a major financial problem area at this moment. The only one without immediate short-term problems, probably, is Queensland, although the long-term implications are just as great for it as for the other States. In terms of the other States, South Australia is in with everyone else. We are not somehow separate or different. We are certainly not the worst.

On the contrary, we have lower taxes than most of the other States. We have demonstrated, with our ability to service the State Bank indemnity, the greatest financial capacity of those States. Our debt is under control. That is what is being demonstrated, and if members here—

Members interjecting:

The DEPUTY SPEAKER: Order!

The Hon. J.C. BANNON: —want to look at the evidence and the facts, they will understand that many of the things they are picking on, which they say are peculiarly South Australian and peculiarly to do with this Government, are nothing of the sort. They are common long-term structural financing problems that the smaller States in particular are finding at the hands of the Federal Government and that the manufacturing States in particular are finding with the manufacturing downturn in the recession. Put them together and we see that South Australia qualifies in both those categories, so indeed the pressure on us is very great. In common with the other States we are seeking to do something about it rather than carp, whinge and complain or, as the Opposition does, try to punish this State instead of trying to work through its problems.

FERAL GOATS

Mr HAMILTON (Albert Park): Will the Minister for Environment and Planning advise what action her department is taking to eradicate the estimated quarter of a million feral goats in South Australia?

Members interjecting:

Mr HAMILTON: I am talking not about members opposite but rather about an article that appeared in this morning's *Advertiser* highlighting this problem, hence my question.

The Hon. S.M. LENEHAN: I thank the honourable member for his question. I will try to refrain from any attempt at making something humorous out of all of this as indeed it is a very serious issue. I acknowledge the support of the Opposition, in particular the member for Heysen, in terms of addressing what is a very serious problem in our rural community. It is correct that the assessment

of the number of goats in South Australia is between 200 000 and 300 000. The member for Heysen and I had the privilege of attending the first session of a seminar this morning, where we heard some of the proposals and indeed some of the successes of an eradication program.

In paying the honourable member the courtesy of sharing a couple of points with him, the presentation by Dr Robert Henzell from the Animal and Plant Control Commission was useful and highlighted what can be and is being done in South Australia. He talked about a four-step program which, first, will reduce by commercial mustering the number of goats in parts of South Australia that have become infested. The second stage is the need for cooperation and coordination by the various property holders, and indeed this is already starting to happen. The third stage is the trapping program at watering points. While that is appropriate for some areas, for some of the more mountainous and inaccessible areas that is not necessarily the most appropriate way to go.

A program is under way at the moment and proving to be quite successful. I refer to the Judas goat method whereby a feral goat is captured, a radio transmitter is fitted to the feral goat by way of a collar and it then finds the rest of its herd (I presume that it is a herd even though they are feral) and it can be traced by the radio transmitter. We were given information this morning that the program has already been very successful at Para Wirra, the South Para Reservoir, the Kaiser Stuhl conservation park and is almost completed in the Coorong national park. If that is the case, it augurs well for the eradication program, which I believe does have bipartisan support.

I guess that our next challenge in a bipartisan way will be to see whether we can get money from the Federal Government to look at this eradication program as it could involve $4 million to $6 million. As this sits comfortably in the endangered species strategy that is so much expounded by my Federal counterpart, the Federal Minister for Environment, I am hopeful that we may be able to attract funding from the Federal Government to help us move forward the program and indeed to be successful in the future. I thank the Opposition for its support and for the honourable member's participation in the seminar this morning.

Members interjecting:

The DEPUTY SPEAKER: Order! The Leader of the Opposition and the member for Napier are out of order.

JUVENILE ABSCONDER

Mr OSWALD (Morphett): Did the Minister of Family and Community Services have knowledge of the decision, at the time it was made, to hire a light aircraft to transport a 17 year old prisoner to attend his grandmother's funeral last Tuesday, at a cost of $4 600; and what checks were made into the youth's previous observance of court orders before permission was given? The circumstances of a previous absconding 18 months ago were ignored in the recent decision to fly the youth to Perth. The explanation from the FACS Department Chief Executive Officer in yesterday's *Advertiser* referred to the youth's 'downward spiralling' mental condition and chronic depression as justification for the flight.

The Hon. D.J. HOPGOOD: Once we have the Justice Information System fully operational all of this information will be available to officers at the press of a button.

Mr S.J. Baker interjecting:

The DEPUTY SPEAKER: Order! The Deputy Leader is out of order.

The Hon. D.J. HOPGOOD: The Deputy Leader is absolutely wrong. I have no doubt it is available in the Court Services Department but it is not available in my department at all. Once the JIS is fully operational it will be possible for officers to access the information. It is not currently available. The honourable member did not even get it right. I believe the honourable member was bragging about how in an hour or so he was able to elicit a great deal of information.

For example, the youth did not escape from custody in the previous set of circumstances. It is true he was late back from Perth on a previous occasion but he immediately made himself available to the South Australian authorities. He did not go into hiding—he made himself immediately available to the South Australian authorities. There is no evidence that in any way he sought to evade capture on that occasion, because that really was not an issue. In any event, as I have explained to members, there is a difficult balancing act in these circumstances between concern for the person on remand, on the one hand and, on the other hand, general concern for the protection of the community. The department's advice to me is that, had it been fully aware of this previous occasion, which also did not involve—

Members interjecting:

The DEPUTY SPEAKER: Order! The Minister for Environment and Planning and the member for Morphett are out of order.

The Hon. D.J. HOPGOOD: —the boy's grandmother but a great-aunt—and with due respect to the woman concerned, he does have one grandmother to go—nonetheless the decision would have almost certainly been the one that was taken, and I have already canvassed that in the statement I read to Parliament.

ASIAN TRADE

The Hon. T.H. HEMMINGS (Napier): Will the Minister of Industry, Trade and Technology outline South Australia's initiatives to boost exports throughout the Asian region? It has been alleged by a member of Federal Parliament that this State has been singularly unsuccessful in pursuing export opportunities in the Asian region. In fact, the member also alleged that the South Australian Government has made no effort to make an impact in Indonesia or Malaysia.

The Hon. LYNN ARNOLD: Those comments were made by the Federal member for Mayo, Alexander Downer, who, as usual, got it very much wrong. I might say that it is particularly interesting that he was the member who made such a mistake, because he has experience in Trade Commission activities, having previously worked in Trade Commission posts in various parts of the world. I would have thought that he would know a bit more about what happens in trading relations. It is clear he does not know much about what is happening in South Australia. His own statement is wrong in a number of significant ways.

First, he says that we have been singularly unsuccessful among Australian States in pursuing export opportunities in the Asian region. If one looks at the percentage of our exports that go to South-East Asia compared to other parts of the world, it is true that our percentage is somewhat lower than for other States for the simple reason that South Australian exporters are doing such a good job of exporting to so many other regions of the world.

Twenty-one per cent of our exports go to Europe and a further 20 per cent go to the Middle East. Naturally, since there is only ever 100 per cent in any equation, if one manages to be very successful in some other markets, there

is a lower percentage left over for the markets that are still to be taken into question. I guess the point will be made by way of interjection (to which I should not respond) that the whole cake is too small, that South Australia has been singularly unsuccessful in the whole cake.

Again the reality, during the time of this Government, has been that South Australia's record in overseas trade has improved dramatically. If we look at the most recent trading figures that are available from the ABS, we see that South Australia, in terms of imports to the State and exports from the State to all parts of the world, had an $800 million surplus. Even after taking into account that not all the goods to and from South Australia go through South Australian ports—some go through ports in other States—it is recognised that we have a significant balance of payments surplus on traded goods and services. Indeed, if the rest of the country had had those figures over the years we have had them, the nation would not have had the balance of payments crisis that it has been facing.

So much for Alexander Downer's comments that we have been singularly unsuccessful. He then goes on to make a gratuitous sideswipe at the Agent-General's office in London when he says, 'Export markets are diminishing year by year.' I think that we have shown the lead in the way that kind of office is to be used for economic benefit. It was the South Australian Agent-General's position, the present incumbent being Geoff Walls, who was appointed by the Premier, with a charter to go out and be commercially active, to seek and find commercial opportunities for South Australian business, that has led the way, and all other offices of Agents-General in London are now following that, as they are also following our lead that that office in London targets the European market not only the United Kingdom market. I come to the point that we still have, and I hope will continue to have for many years, a sizeable share of our exports going to Europe—a figure of some 21 per cent.

Next, he goes on to attack our officers in the South-East Asian region. He talks about our officers in Hong Kong, Tokyo, Bangkok and Singapore and says that they spend much of their time on little else than business migration. Again, that reflects a serious want of research. Our office in Bangkok does no business migration work at all, and our office in Tokyo does very little business migration work—it is overwhelmingly trade and investment. Certainly, our office in Hong Kong is a predominantly business migration office, but it does trade and investment work as well. And half of the activity of the office in Singapore is trade and investment.

Mr S.J. BAKER: On a point of order, Mr Deputy Speaker, I make a point about prolixity and *Erskine May*: lengthy answers should be circulated.

The DEPUTY SPEAKER: Order! The Minister, in drawing his answer to a close, will I am sure conclude very shortly. The Minister of Industry, Trade and Technology.

The Hon. LYNN ARNOLD: I will certainly take your direction on this matter, Mr Deputy Speaker. Therefore, I will have to leave uncorrected many of the other errors and contradictions in Alexander Downer's statement; they will have to be left unaddressed for the moment and be left for another time. However, I can assure members that they will be addressed and that we will correct them, because he cannot be allowed to get away with such misrepresentations. One other point he makes is with respect to Indonesia and Malaysia. In fact, we have been doing significant work in both those markets, and I will be there in the next couple of weeks looking at furthering those opportunities, including developing the commercial representation opportunities for South Australian business in both those markets.

JUVENILE ABSCONDER

Mr OSWALD (Morphett): I address my question to the Minister of Family and Community Services. In the light of knowledge that the FACS Department files contained about the 17 year old escapee and his long record of serious offences, what physical security conditions were placed on his transportation by aircraft to his grandmother's funeral in Perth, and what occurred to allow these security conditions to be breached?

The Chief Executive Officer of the FACS Department has now admitted knowledge of the youth's past convictions—42, I understand—and the fact that consideration was being given to his appearing before the Supreme Court instead of the Children's Court under section 47 of the Children's Protection and Young Offenders Act.

I understand that this provision was used only three times between 1987 and 1990, according to the latest figures, and is restricted to where the offences are deemed to be grave or the child has been found guilty of more than one serious offence. Court sources have suggested to me that, because of this youth's history of serious crimes, he should have been handcuffed and a more secure form of escort provided.

The Hon. D.J. HOPGOOD: First, I assume that under Standing Orders I have to be very careful about what I say about section 47. In relation to that, all I can say is that that is a matter for the police, the Attorney-General and the courts. I understand that the offence does not involve violence, despite the fact that it was a serious offence—or it will be argued as a serious offence when the matter comes forward in the courts.

The arrangements were that two Aboriginal aides from the Western Australian police were to meet the party at the airport. There was no problem at all with the youth on the plane, and I have checked that out. For some reason, that meeting did not occur at the airport; in any event, the Western Australian police say they sent only one aide, whereas it was indicated that there would be two there. Had there been any indication that that assistance would not be available, I cannot altogether guarantee that in fact the decision that was made would have been made or would have been made in quite the same way. They are the arrangements, and they came undone when the meeting did not take place, as I indicated in my statement.

HOMESTART

Mrs HUTCHISON (Stuart): Will the Minister of Housing and Construction outline the benefits of the HomeStart office to South Australian home buyers? A recent television program raised concerns about the New South Wales Government's equivalent of HomeStart, that is, HomeFund. In that program, various allegations were made about the operation of HomeFund, for example and in particular the fixed nature of the continuing annual increases in repayments, which took no account of the percentage of total income that was required to meet the continuing increases. Regarding the private component, there were allegations that excess profits were made by that section.

The Hon. M.K. MAYES: I thank the member for Stuart for her question, because it does give me the opportunity to draw a comparison between our scheme, HomeStart, and HomeFund, which is run by the New South Wales Government. It is clear that we need to draw out those comparisons, because there is a degree of concern in the South Australian community about the impact that that television program and the related press coverage had in terms of what is

offered. The fixed rate product that is offered through HomeFund is not offered here in South Australia. That is the first point to be asked. The rates referred to on that television program were around 15 to 16 per cent for a 10 year period, so the original borrowers who went into the scheme at about the same time that we started HomeStart would have borrowed at rates of 15 and 16 per cent and would still be paying 15 and 16 per cent and that would obviously put families under a good deal of financial stress.

Of course, we have a CPI quarterly adjusted rate; when interest rates drop (and they have dropped to about 11 per cent—that is about the mark in the home market at the moment) we can adjust our product price downwards, and we have done so. The current rate in New South Wales for fixed term, 10 year borrowing under HomeFund is actually around 12.9 to 13 per cent. I think the figure in the last week or so was about 12.9 per cent. That contrasts to our figure, which is about 11 per cent. So, there is a distinct and clear difference in the product that we are offering.

In addition, we have not adopted the system of a 6 per cent adjustment regardless of inflation. In fact, we argued strongly against the type of structured arrangements which HomeFund adopted in New South Wales. We are opposed to that type of fixed rate product and the 6 per cent flat increase per annum in the payments of each of those borrowers. We adjust our rate on the basis of our CPI figure, and we adjust it according to our formula, allowing people to know what they are doing in terms of their borrowings, to know what their commitments are and to realise what the product is.

It is also important to note that we do not use the same structure. As I understand HomeFund there is a 25 per cent ownership in the corporation that actually runs it—Fanmack. I also understand that the Managing Director is on a commission and last year earned $1.4 million out of the process of lending in HomeFund. I am sure that many people would like to enjoy that sort of income, but whether one can justify that is another question. Certainly, in a scheme that is meant to be aimed at affordable housing for low income families, in my view one could hardly justify the Managing Director's earning a figure of that sort. We do not have that: our scheme is structured under the Minister of Housing and Construction. Our product is put through private companies, and they make the assessments in regard to those people who apply for funds.

As the honourable member would know, we had our ten thousandth loan go through the process two weeks ago, and we are well on the way to our commitment of roughly $250 million a year to be lent over the four-year period of the Government. We think it has been a great success. From the feedback that I have had from the industry, from Higginbothams or from Homestead, or from any of the other major housing companies in this State, I am aware that at times we have represented up to 45 per cent of clients for their actual market supply. So we have been a very significant supporter of the housing industry in this State.

I want to put our South Australian constituents' minds at rest by saying that our scheme is very different from the New South Wales scheme. It is much more orientated towards assisting people and not putting added burdens on them. Certainly, in comparison with HomeFund our scheme offers a great deal more flexibility in favour of the borrower and it can be adjusted according to their needs. If someone is placed in the situation of becoming unemployed, we can make adjustments through our scheme to assist those people to maintain their housing requirements and their home. It is important to realise that there is a great deal of flexibility. I feel that our product is a lot better than the one that is obviously causing a great deal of distress in New South Wales. I think that all goes well for the home market in South Australia, and I am delighted to be able to reply to the member for Stuart and give these details, which she can communicate to her constituents.

JUVENILE ABSCONDER

Mr BRINDAL (Hayward): My question is directed to the Minister of Family and Community Services. Notwithstanding the non-operational status of the JIS as it relates to his department, why were documents not readily available from the Children's Court or the Police Department to alert the FACS Department about the previous absconding by the 17-year-old youth in Perth 18 months ago before the decision was made to allow him to attend the funeral last week of his grandmother? When will procedures be put in place to improve the supply of this kind of information? The Minister has just informed the House that certain documents were not available, and his statement collaborates that of the Chief Executive Officer of the FACS Department, who has stated publicly that her department was unaware of an incident 18 months ago in which the same youth absconded, on bail, after being given permission by the court to attend a funeral in Perth said to be that of his grandmother.

The Hon. D.J. HOPGOOD: Given that the documents are in the Court Services Department, one has to know of their existence before one goes looking for them. As to improved arrangements other than JIS, I will get a report for the honourable member.

AUSTRALIAN NEWSPRINT MILLS

Mr HOLLOWAY (Mitchell): Will the Minister for Environment and Planning inform the House whether the recent decision by Australian Newsprint Mills at Albury to commission its new de-inking plant in two stages will affect the viability of kerbside collection and recycling in South Australia?

The Hon. S.M. LENEHAN: The short answer to the honourable member's question is, no, this will not affect the kerbside collection and recycling program that we have mapped out for Adelaide, and indeed for South Australia. I understand that the reason behind the announcement from ANM, that it is now going to commission the de-inking plant in two stages, is that world prices for newsprint paper have slumped quite dramatically and demand has been reduced.

ANM has now decided to do it in a modular fashion. It will be commissioning the first module in December 1993, the original date of commissioning for the full plant, and the second module will be commissioned in June 1996. However, the news is very good. I guess we would all be concerned about the implications for our kerbside collection of newsprint. In the meantime, ANM has assured me that it will honour its commitment to purchase newsprint for South Australia at $30 per tonne ex-Adelaide and that any used newsprint surplus to its requirements in the intervening period (from the end of this year to the middle of 1996) will be sold overseas.

I am further assured that ANM will honour its commitment to move to off-river disposal of effluent, not just from the new plant but from the existing newsprint manufacturing plant. So, the news for South Australia is good. We will have a cleaner river through off-river discharge rather than

in-river discharge, we will still obtain the price that had been agreed for our newsprint, and as much newsprint as we can collect will be taken by ANM. It is important to add that we still have quite a bit of newsprint going across to Pratt Industries, which has a plant on the outskirts of Melbourne. We therefore have two sources for our newsprint. Again, I urge all members, as I always do, to participate in recycling programs and to give great encouragement to their local councils to participate in a kerbside collection and recycling program.

JUVENILE ABSCONDER

Mr LEWIS (Murray-Mallee): I direct my question to the Minister of Family and Community Services. Why was it necessary to send an extra FACS Department officer on the aircraft to transport the 17 year old youth to the second Perth funeral? The Minister has revealed that six people were on board: two pilots, two FACS escorts, the prisoner and one other FACS officer.

The Hon. D.J. HOPGOOD: I am not aware of the additional FACS officer. However, I can obtain that information. In any event, I fail to see what bearing it has on the matter other than, if the honourable member is correct, the fact that it would indicate the department's concern for ensuring proper security arrangements. I guess that three officers provide better security than two.

ASSOCIATED PULP AND PAPER MILLS

Mr FERGUSON (Henley Beach): Will the Minister of Labour inform the House of the situation at the Associated Pulp and Paper Mills plant in Tasmania and the implications this has for South Australian industrial relations?

The Hon. R.J. GREGORY: All of us who are interested in industrial relations would be aware of the conflict at Burnie in Tasmania. Associated Pulp and Paper Mills has deliberately set about destroying the industrial relations it has had in that plant by unilaterally deciding to remove longstanding over-award provisions agreed to over a long period by employees and management. Also, it withdrew from talks with the unions involving the most radical change in work practices that that plant had ever seen. The company sacked 11 boiler operators for refusing to act contrary to the occupational safety and welfare regulations.

This company is a subsidiary of North Broken Hill, one of whose executives is Herb Larratt, who is famous for his comment (much loved by our opponents in this House), 'All people should go to work each day prepared to be fired; that expectation would free them to operate creatively, motivating them to take initiatives in their job.' If that attitude were transplanted into South Australia, what devastation it would create in our manufacturing industry.

Simpson's washing machine plant needed a change in direction and decided to involve the unions and the workers in the workplace in job redesign. With full consultation with the workers, without telling them, 'Go away, we are not going to talk to you,' it worked out how it would operate the plant, and was able to reduce the size of the plant area by 25 per cent. A 25 per cent reduction in space is indeed a fairly good cost saving. The company has also engaged in quality control to such an extent that inspectors are no longer needed on the line. Its products are now being sold throughout Australia, in Asia and New Zealand, and I understand the company is looking at markets in North America and Europe.

We have a company here which, through cooperation, involving workers, encouraging them and discussing with them each day what the plant is doing, shows excellence in the manufacturing industry. If we were to adopt the APPM attitude to it we would see the manufacturing industry devastated. I suppose that we need to ask the Liberal Party whether it supports the tactics of the APPM in refusing to meet with the unions and whether it believes that employees should be frozen out of workplace reform or that all people should turn up for work each day prepared to be fired.

JUVENILE ABSCONDER

Mr MATTHEW (Bright): Will the Minister of Family and Community Services advise what specific request was made to the Western Australian Police Department for a police escort of the 17-year-old prisoner; who made it; and to whom was it made? I have been informed by the Western Australian Police Department, that on the request of a local agency it was asked to supply only one driver to transport the youth to the funeral, not two as stated in the Minister's statement. I am advised that this driver was an Aboriginal police aide who arrived at the airport and waited some hours for the youth's arrival. I am further informed that the Aboriginal aide made a number of telephone calls during his wait to try to locate the Family and Community Services party.

The Hon. D.J. HOPGOOD: As my statement indicated, it was arranged that there be two Aboriginal police aides waiting at the airport. To whom the request was made is not a matter that has yet been brought to my attention: I have not asked for that information. I can do so and make it available to the honourable member.

Mr SUCH (Fisher): Will the Minister of Family and Community Services say whether his Department has rejected applications by juvenile detainees to attend funerals on security grounds and, if so, on how many occasions? The department's explanation for the permission given to the 17 year old who absconded in Perth pertains to the recommendation of the Aboriginal Deaths in Custody Royal Commission which states that favourable consideration be given to requests to attend funeral services and burials. However, in the response to the recommendations of this royal commission tabled on 31 March by the Minister of Aboriginal Affairs, it is stated that in South Australia such permission is not automatic and 'in cases where requests are denied, the prisoner is given a written explanation of the reasons for refusal'.

The Hon. D.J. HOPGOOD: As the honourable member rightly points out, this matter has arisen out of that royal commission and, indeed, there is Commonwealth money for this sort of purpose and it was used on this occasion. When I raised with my officers the fact that it seemed unusual that a situation like this had not been drawn to the attention of our office and that the first we heard of it was through the media, I was told that one of the reasons that that did not happen was that it was by no means an isolated incident of youths being given permission in these circumstances. Whether, in fact, there have been any refusals, I know not, but I will get that information for the honourable member.

BUSINESS REGULATIONS

Mr HAMILTON (Albert Park): Will the Premier advise what major steps have been taken to reduce business reg-

ulations in South Australia? In 1986 the deregulation unit was created to abolish old and surperfluous regulations and to ensure regular reviews of all regulations, hence my question.

The Hon. J.C. BANNON: As the honourable member mentions, we created the position of deregulation adviser and have had for some time now a fairly major deregulation program. That was upgraded considerably and given a new lease of life under the automatic revocation program, which has operated since 1989. It is a system under which regulations come up for expiry after a certain period, and that has resulted in very comprehensive reviews. Intentions are given if there is a reason to keep the regulations in process, but are given only on the basis that some comprehensive review is taking place or, indeed, the regulations are appropriate.

In fact, I think 163 sets of regulations were due to expire on 1 January this year. That has involved some major changes. Already 105 regulations have been allowed to lapse. These are regulations that would have stayed on the books in the normal course of events, so we have made a major breakthrough in that area. There is then the Subordinate Legislation Act which is currently before Parliament and which involves a number of changes.

Picking up the specific interest of the honourable member in business regulation, it was determined last year that the major thrust of the Deregulation Adviser's Office should be business regulation, because that seemed to be where the best progress could be made and where some particular attention was needed. In fact, there was a review of this program and the office has been renamed. The program has been transferred from the Attorney-General to the Minister of Small Business in order to ensure that that emphasis can be maintained and that close contact with small business is part of the process.

The Business Regulation Review Office, as we now call it, is undertaking a number of major initiatives this year. Some comprehensive reviews are taking place, for instance, examining in the statutory licensing area about 420 licences, permits and certificates with a view to consolidating, rationalising or abolishing them. On an agency by agency basis we are working through each of the major departments looking at their particular regulatory and other requirements as they affect business. That program is well advanced. The small business inquiry, in particular, in association with my colleague the Minister of Industry, Trade and Technology's department and the Small Business Corporation, has already taken written submissions from business people and associations to survey individual businesses in selected industry sectors, which includes on-site interviews, workshops and so on in order to identify where regulation is appropriate, where it can be simplified, improved or just done away with.

These things tie in very well with the State Economic Development Study that is under way because, if we can improve our efficiency and responsiveness in this area, it will help the overall economy of the State, remembering that by far the great majority of employment in South Australia is in small business and not in the major or larger enterprises. The Business Regulation Review Office will continue with those initiatives and reviews. It will retain an involvement in the automatic revocation program and will look at areas like private hospitals, places of public entertainment, motor fuel licensing, the Motor Vehicle Act and areas of that kind. It is a comprehensive program and we believe that it is yielding positive results.

NATIONAL BANDS CHAMPIONSHIP

The Hon. J.P. TRAINER (Walsh): My question is directed to the Deputy Premier. Is the Government aware of South Australia's outstanding success during the national bands championships in Sydney over Easter? Does the Deputy Premier see this as a tribute to this State's education/arts programs and the support given by local government to these bands?

The Hon. D.J. HOPGOOD: This State is characterised by a number of uniformed musical aggregations which are in two categories: brass bands, whose instrumentation is well known, and concert bands, whose instrumentation is a little more complex because it involves the reed instruments as well as brass and percussion. I am informed that at the national championships there are two basic categories: brass bands and concert bands. In short, the Kensington and Norwood Band won the A grade brass competition for the whole of Australia. The Elder Conservatorium Wind Ensemble, known in previous years as the South Australian College of Advanced Education Concert Band, won the concert band A grade award, and the City of Brighton Concert Band won the concert band B grade. In other words, three out of the four big ones came to South Australia.

As the honourable member implied in his question, I think it is a tribute to many of the programs that exist in South Australia. With the exception of the education-based bands such as the Elder Conservatorium, most of the bands get active support from their local government authority. I know that Kensington, Norwood and Brighton do, as does the one with which I am associated at Noarlunga and many others like it. I am sure it is a great source of satisfaction to local government that some of their investment is returned in this way.

In addition, as the Minister of Education would be very quick to tell us, as would his predecessor, the Minister of Industry, Trade and Technology, the member for Mount Gambier and I (as part of that group), over many years we have had a very ambitious program in the schools, particularly in the high schools, and that has been the training ground for these bands. Also, there are other means of support for these organisations. It is a delight to us all that we have had this success, and long may it continue.

OLYMPIC SPORTS FIELD

Mr OSWALD (Morphett): My question is directed to the Minister of Recreation and Sport. Is the State Government planning to compulsorily acquire the Olympic Sports Field at Kensington to secure it as a permanent home for Athletic SA? Last year Pembroke school made a significant and serious offer to the Burnside council to purchase the property. That offer was favourably considered by the council and resulted in a Supreme Court hearing over whether Burnside council had the legal right to sell the land.

Judge Debelle recently found that a missing deed of trust for the site dated 1888 did exist and was binding. The judge also found that, whilst the council did not have the power to sell the land, it was able to grant leases over it. An article in the Pembroke school magazine refers to the school now considering the option of applying for a long-term lease from the Burnside council over the Olympic Sports Field which is currently leased to Athletic SA. Both the school and Athletic SA are anxious to learn whether the Minister is prepared to compulsorily acquire the property so that the Government can control who gets the next lease.

The Hon. M.K. MAYES: The short answer is 'No'. Obviously there is an area of concern. The future home for

Athletic SA is something that has concerned me, and that is our primary concern in this exercise. I would very much like to see an arrangement where Athletic SA can remain at the Olympic Sports Field and have it as its home. As we have said to Athletic SA and others interested in this issue, including the Burnside council, it is important that we look at the home for Athletic SA post 21 July to see where we stand with regard to the Commonwealth Games. Hopefully, we will be in a situation where we can look at the games as well as the needs of Athletic SA.

With the need to put in a warm-up track near Football Park and a full athletics facility in Football Park it opens up our options. As I have said privately to the honourable member, I would prefer to see the Olympic Sports Field retained for athletics in South Australia, and I hope that there can be satisfactory negotiation with Burnside council to ensure that that occurs. I would be leaning that way in my discussions with any interested party in the process.

MINISTERIAL STATEMENT: SOUTH AUSTRALIAN SPORTS INSTITUTE

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

Leave granted.

The Hon. M.K. MAYES: Further to my ministerial statement of 14 April I provide the following information which is now available. I will seek to table a schedule attached to the statement. The question was asked, 'What equipment was purchased in the period of the SASI audit by institute officers who did not have purchasing authority?' Analysis of purchase transactions has revealed that approximately 545 purchase orders were issued during the period of the audit. Purchase authorities are delegated by the CEO to allow specific employees to sign orders for purchases of goods and equipment. The authorities and procedures previously in existence were insufficent and, therefore, most of the approximately 545 purchase orders issued during the audit period were technically unauthorised. Delegations have now been increased to ensure that purchase orders are within Public Service guidelines.

The questions were also asked: what purchases valued at more than $10 000 were made without the proper procedures for obtaining quotes, and what were the names of companies from which the institute obtained its sports science equipment referred to in the audit report of 24 October 1991? I have that information in tabular form, and I table it as part of the statement.

MINISTERIAL STATEMENT: WORTHINGTON INQUIRY

The Hon. G.J. CRAFTER (Minister of Education): I lay on the table a ministerial statement made by my colleague the Hon. C.J. Sumner, Attorney-General, in the Legislative Council on this day and attachments to that statement relating to the Minister of Tourism.

The DEPUTY SPEAKER: The question is that the House note grievances.

Mr HAMILTON (Albert Park): Over many years, I have raised the question of traffic flows along West Lakes Boulevard within the electorate of Albert Park. One of the reasons I have raised these questions ever since I came into this Parliament in 1979 was my anticipation for and indeed what has transpired to be the need to improve traffic flow conditions in and around that electorate. I have been involved with the Highways Department, now the Department of Road Transport, through successive Ministers in seeking the extension of West Lakes Boulevard from Tapleys Hill Road to Clark Terrace—that extension is now called West Lakes Boulevard—through to Port Road. Unfortunately, the section from SABCO at the intersection of Clark Terrace and West Lakes Boulevard has not been completed. I raise this matter because of the increasing traffic flows that arise from, among other events, matches at Football Park. As we all know, Football Park is the home of the Crows and, when the Crows play home and teams from Victoria come here—

The Hon. J.P. Trainer: To get thrashed.

Mr HAMILTON: —as my colleague interjects, to get thrashed, as last Saturday, we find that Football Park is almost packed out. Approximately 50 000 people can be housed in that well-appointed stadium. Over many years, it has been my observation—and responses from successive Ministers of Transport have confirmed it—that traffic flows from Football Park are increasing. This morning at my electorate office, I went through correspondence to determine the increasing volume of traffic along West Lakes Boulevard, particularly as a consequence of the extension of West Lakes Boulevard. I found an increase from approximately 13 000 vehicles per day in April 1984 to 14 800 vehicles a day in June 1988. Other correspondence I received from the Minister of Transport in 1989 indicates that the flow of traffic through that area was 17 500 vehicles a day.

The Football Park crowds, to which I referred earlier, have increased the problems in that area in my electorate, and on the days when matches are played at Football Park it is not uncommon to see traffic banked up along West Lakes Boulevard right back from Port Road, past SABCO and halfway down towards Tapleys Hill Road. I raise this matter with a genuine concern, not only because of the problem that occurs currently when matches are played there but also with a view to the future. We have to anticipate that we will get the Commonwealth Games, and I am sure every member of the House would hope that we will host the Commonwealth Games in 1998. This, though, will increase the pressure in relation to traffic flow in the area. In my view it will necessitate the widening of West Lakes Boulevard through to Port Road. In addition, the Minister of Transport has indicated that a transit bus service will come into operation from August this year. This will compound the problems along that road. Those services will run express almost from West Lakes Shopping Centre through to Port Road, with the exception of two or three stops. I put in a bid on behalf of my constituents that a high priority be placed on the widening of the remainder of West Lakes Boulevard through to Port Road, Woodville.

Mr LEWIS (Murray-Mallee): We notice in this day and age that the Government is willing to do what it calls deregulate everything—yet that is hardly true and nor is it fair when it occurs. More often than not it is re-regulation. We have seen the sorts of things that occurred in the potato industry and in the egg producing industry, and so on. This has a particularly adverse effect on the people that I represent. It is not deregulation, and the changes to the regulations that occur are not fair. They simply give large businesses and big Government unfair advantages, without providing any of the necessary infrastructure to ordinary citizens to combat this. As we go through the 1990s towards

the turn of the century, we find Government members talking about the desirability of deregulating the wheat industry, and things of that order. We have seen the kind of impact that their union mates have had on our ability to process articles such as meat at SAMCOR.

I want to draw attention to what I regard as being fair and reasonable offsetting provisions to people engaged in primary enterprise, or indeed in relation to small business of any kind in rural communities, if we are to see them survive. Just over two years ago I was talking to some senior engineers in Telecom about the provision of communication services right across Australia, particularly in the mobile-net telephone network. It is a fact that Telecom invested $450 million in building 500 mobile-net radio base stations around this country. This money includes provision for both overheads for the basic infrastructure as well as the additional cells which can and have been added into the network. If we divide that $450 million by the 500 radio base stations, the cost per base station, including those overheads, is about $900 000 each. We also know that the total number of customers presently serviced is 400 000.

Some cells in the network in urban markets are saturated to the point where it is hard to get calls through. If we divide that number of customers by the number of radio base stations—that is, 500 into 400 000—we find less than 800 customers per base station in the existing network. After discussing this with the radio technology engineers, I then learned in further conversation that the Mallee would be a viable location into which they could extend the services during the first half of 1992. However, that has not happened and it does not look like it will happen.

It is a fact, though, that if a radio base station were to be established somewhere, say, just north-west of Lameroo, and we created a corridor 60 kilometres wide, roughly along Highway 12, we could expect to sell between 600 and 1 000 units in that area—that is, an average of 800, which is precisely the number of existing customer units per transmitter/receiver station elsewhere in the network.

Further discussion revealed that we could have a contiguous cellular phone service provided through a link between three new base stations serving the area from Meningie eastwards to the State border—not just one at Lameroo but two more besides. This would mean that Telecom could further expand the number of mobile phone units that could immediately be brought into service and, therefore, sold in that locality. There would be a much better service available to virtually everyone in or passing through the Upper South-East, the lower Murray, the lakes, the Karoonda district and the southern mallee.

All that is needed is for Telecom to install those three new base stations on the high points between Meningie and Ki-Ki, between Peake and Karoonda and north of Lameroo. This would also provide a total cover along highway 12 and highway 8, and extend the cover southwards along highway 1 down the Coorong to Salt Creek at the edge of the signal; it would result in the lower Murray and lakes each expanding by about 800 units, that is, 1 500 or so, and Karoonda through the southern mallee by about 1 000. That is 2 500 units for three stations—more than 800 new customers for each station, which is better than it gets from the existing network.

In this instance, I believe it is fair for me to point out that a much higher proportion of calls from mobile phone units in this new market area in the mallee would be made point to point over much longer distances than ordinary local calls of the type made by subscribers in Telecom's existing urban markets. Therefore, the revenue accruing to Telecom as a return on the capital invested in this new base station network would be higher per customer unit than will come from further investment in urban markets.

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

Mrs HUTCHISON (Stuart): I should like to refer to an article in the *Advertiser* of Thursday 23 April under the headline 'Iron Triangle could be new rubbish dump—Mayor', with the byline of Catherine Bauer, and to make several points. The first is that there is no Iron Triangle. There was a conscious decision by the councils in that area that it would be known as the Upper Spencer Gulf and that the cities in that area would be known as the Spencer Gulf cities. The second point is that I was absolutely appalled when I read that article. The article is attributed to the Mayor of Mitcham (Mr Lyn Parnell), who said that rubbish from all metropolitan councils could be transported to a dump, possibly in the Iron Triangle, via the northern railway line. Mr Parnell went on to say that most metropolitan rubbish dumps were nearing the end of their lifespan and alternative disposal methods should be investigated urgently. He thought that the best place to put those dumps was in the Upper Spencer Gulf region. I should like to inform Mr Parnell that that is not very good for the regions he names.

First, I am quite sure that Mitcham council has not looked at the economics of that situation. For example, it would need to collect the rubbish and would then need to package it. The rubbish would have to be transported to the railway depot to be further transported to whichever destination was decided upon.

An honourable member interjecting:

Mrs HUTCHISON: That's right; it is. It would then need to be picked up and transported again to the designated site. Obviously, the Mitcham council has not looked closely at the economics. I wonder why the Mayor is suggesting that the rubbish from metropolitan areas should be transported to country areas.

Mr Lewis interjecting:

The DEPUTY SPEAKER: Order!

Mrs HUTCHISON: I suggest that, if the council were doing its job properly, it would be researching the way in which it should be disposing of its rubbish within its own council areas; it might be doing a better job for the benefit of its council area. I believe that Mitcham council needs to become more involved in recycling. There needs to be some forward thinking as well as environmental consciousness. Not only that, but it needs to be promoting within its own council area the recycling attitude necessary for those people to be able to cope with their own problems.

Mr Lewis interjecting:

Mrs HUTCHISON: I take great exception to the fact that this Mayor wants to export his problems to the country, and I am sure that the member for Murray-Mallee would not like to think that the council would be exporting it to his area—

Mr Lewis interjecting:

The DEPUTY SPEAKER: Order! The member for Murray-Mallee is out of order.

Mrs HUTCHISON: —I am sure that he would be quite vocal in putting forward that point of view. This is a way for this mayor to opt out of his own responsibilities. I would certainly be saying to him that I think he needs to take another look at the situation and, if he is going to pass on something to the Local Government Association, he should have the decency to discuss it with those northern area councils concerned and not simply make a *cart blanche* statement that it should be transported to the northern area.

Mr Ferguson interjecting:

Mrs HUTCHISON: As my colleague the member for Henley Beach says, perhaps he should be discussing it with the Mayor of Port Augusta, and I am sure that she would let him know the thoughts of those councils. I had a conversation with the Chief Executive Officer of the Port Pirie council, who was absolutely astounded and disgusted that this sort of proposition could be put by one of the metropolitan mayors. His comment was that he should be looking after their own rubbish down here in the metropolitan area, and I could not agree more. I therefore say to the Mayor of Mitcham, 'Go back to the drawing board and find some other option for your rubbish.'

Mr MEIER (Goyder): For some months now I have been very concerned about the future of Adelaide's maritime communication stations, generally referred to as Adelaide Radio. This maritime communication station has been an integral part of Australia's communications with maritime shipping as well as recreational shipping and boat users generally. Unfortunately, some time ago it was determined that some of the 13 stations around Australia's coastline would be reduced to five, namely, Sydney, Melbourne, Darwin, Perth and Townsville. Adelaide is one of the stations scheduled to disappear as from 31 January 1993. Unfortunately, the Federal Government does not know the full implications of the removal of Adelaide Radio and the potential effect it could have on South Australia's shipping. I am very disturbed to learn that the Federal Government has now washed its hands of the whole issue.

In fact, a petition has been circulated in and around South Australia for some time now calling on the then Minister for Transport and Communications, Mr Kym Beazley, to take note of citizens' concerns for the safety of professional and recreational boating communities in South Australia. That petition has been rejected by the Minister, and the people who have organised and signed it have been told to approach the State Minister of Marine, the Hon. Bob Gregory.

The petition has come from diverse groups, including the South Australian Fishing Industry Council, the South Australian Volunteer Coast Guard, the South Australian Sea Rescue Squadron, the *Falie* Project Limited, the *One and All* sailing ship, the Boating Industry Association, the Port Adelaide Sailing Club, the Cruising Yacht Club of South Australia and the Royal South Australian Yacht Squadron Incorporated—a huge group of people concerned with the safety of boating in South Australian waters. The problem will be that, with Adelaide Radio closing, South Australian boat users on occasion will have only a 70 per cent chance of having a distress message heard. Yorke Peninsula, West Coast, South-East and Adelaide recreational boat users all stand to suffer.

Recently, it was brought to my attention that a boat in far West Coast waters put out a May Day distress call and only Adelaide Radio received it. Perth radio was unable to receive it, as were Melbourne and Darwin. If we had not been operating that radio station it would have meant potential tragedy and disaster for the boat in question. Likewise, the incident has been reported to me of an abalone fisherman coming up in his boat from Kingston in the South-East towards Adelaide and for much of the distance he was unable to make communication with Melbourne. He could communicate only with Adelaide on occasions, and even those communications were not as good as they should have been. Finally, on a trip to Port Augusta, the *Falie* has reported that, during a 24-hour sequence, when it monitored on the hour every hour, it could not make contact with Melbourne, on every occasion, I believe—certainly on many occasions—and Adelaide Radio was again, therefore, shown to be essential.

When Tasmania heard that Melbourne Radio was originally to be removed it refused to accept this and demanded that that situation remain, and that is now the case. Additionally, the equivalent of our Department of Marine and Harbors, the Hobart Marine Board, is installing emergency transmitters in its tower equivalent to our signal station to ensure that their fishermen and boat and maritime users generally are well looked after and protected. We should be doing the same.

I referred to petitions earlier. Two weeks ago I forwarded to the Minister of Marine petitions containing 684 signatures, and I now have another 1 762 signatures brought to my attention which I will also be forwarding to him. With almost 2 500 people demonstrating their concern about the safety of boating in South Australian waters, I call on the Minister and this Government to take action at least to install appropriate transmitting facilities for communications through Adelaide Radio.

The ACTING SPEAKER (Mrs Hutchison): Order! The honourable member's time has expired. The honourable member for Mitchell.

Mr HOLLOWAY (Mitchell): I would like to talk about the finale to one of the most spectacularly successful careers in crime that this country has ever seen. I refer, of course, to Alan Bond. On 19 April the *Sunday Mail* reported:

> Unlike the bankrupt usually left with little more than the shirt on his back and deep depression, a bankrupt Alan Bond will still jet first class and access a reported $30 million in family trusts.

What a disgrace. A recent biography written on the life of Alan Bond pointed out that the beginnings to his criminal career began with a screwdriver and an Electricity Commission of Western Australia uniform. Of course, Alan Bond soon discovered that more money could be taken with a ballpoint pen than with a weapon such as a screwdriver, and so he went on to much bigger and better things. Basically, his career followed two rules. The first was that you do not pay creditors, but delay for as long as possible until you get the final notice, and even then you try to stall a bit more. To keep creditors off one's back one makes grand purchases that are obvious to all as an attempt to assure creditors that one's financial position is really healthy.

The other tactic that Alan Bond used was to litigate, and to litigate endlessly. Alan Bond made an art form out of using legal action to prevent justice, and not to achieve it. I believe that Alan Bond's career shows a great deal of immorality in the legal and accounting professions, which should be brought to account. Alan Bond's career also proves the old adage that you are guilty until proven rich. That was certainly true in his case.

We can be thankful, for the benefit of those Opposition members who interjected earlier, that he did not get his hands on SANTOS. That was due to Hugh Hudson, because the State Liberal Opposition at the time, under David Tonkin, criticised the legislation that prevented Alan Bond from getting his hands on SANTOS. I would like to continue to refer to the *Sunday Mail* article because it points out how Alan Bond got away with this $30 million, as follows:

> The way Bond beat being stripped of his assets was largely because the Federal Government botched acting on a 1988 report which recommended closing loopholes in the Bankruptcy Act. This way Bond started shunting his assets in to family trusts two years before he was declared bankrupt. Using some of the best brains in business law, Alan Bond sold many of his rural properties from his primary company Dallhold to Armoy. As long as Bond does not become a director in Armoy, creditors cannot get their hands on the assets.

If members went to Yatala and added up the total proceeds of crime from all the armed robbers and perpetrators of fraud in that institution, I am sure it would come to only a fraction of the amount that Alan Bond has got away with. The difference is that these criminals are behind bars and he is not. It is most regrettable that the Federal Government failed to act on the 1988 recommendations on bankruptcy.

Prior to 1987, I worked for Ralph Jacobi, then a Federal member, who did a great deal to try to get the bankruptcy laws changed, and it is a great pity that that action was never taken by the Federal Government. I hope it will now ensure that such a situation does not happen again.

I would now like to quote from *Trends and Issues*, published by the Australian Institute of Criminology: an article about entrepreneurial crime concluded:

> It is to be hoped that, as Australia moves into the next century, the ritual cycle of corporate greed followed by Government inquiry will generate more than highly paid hand wringing.

I certainly hope that that is the case with Alan Bond. The finale to his career is a most unfortunate one. The $30 million that he will get away with is money from shareholders and many ordinary citizens. It is also money belonging to depositors with the many banks from which he borrowed. It is they and Australia who will pay the price for his economic crimes, the extent of which, as I have said, is vastly greater than that involving all the criminals in our institutions. It is about time we did something about the impact of such crimes, which is far greater than that of the more usual crimes that are raised by members in this place. I certainly hope that the Commonwealth Government will take action to ensure that this sort of thing never happens again.

Mr S.G. EVANS (Davenport): I would like briefly to pick up the topic referred to by the member for Mitchell concerning Alan Bond and others like him. I do not condone what they did, and I did not end up being his best mate, as the former and present Prime Ministers have done. I did not indulge in all the champagne, caviar and other luxuries belonging to shareholders and say what a great guy this Bond character was. I was more in line with Don Dunstan, who said that this group was doing nothing for the economy of the country. All they were doing was pushing paper money around the world, playing on interest rates and living off society.

At least Don Dunstan had the right answer concerning this type of so-called business operator. Our Prime Minister, Mr Keating, knew exactly what Bond was. He knew what he was doing and he condoned it. He did not give a damn that in the end someone was going to suffer, or that it was going to be the small ones at the bottom of the ladder.

I agree with the criticism of Bond made by the member for Mitchell, but let him remember that his mates in Canberra knew what was going on. They promoted it and said what a great thing it was to have the yachting event and other activities that Bond was sponsoring for Australia while at the same time living off shareholders' money and bleeding companies and putting funds away into some trust so that he and his family could live off it in the future.

I would not be concerned one iota if State and Federal laws were changed to stop that practice. We have seen too much of it in Australia. The hierarchy of the member for Mitchell's Party condoned Mr Bond's activities. They lived off the donations coming from them to fight their campaigns at elections, and they were proud to take them. So was the Premier of Western Australia proud to live off the same system at that time.

The main comment that I wish to make in my remaining three minutes involves the conflict we have in legislation relating to those who wish to build a home in the hills on land which may contain what some people call virgin scrub, but from which the timber has often been removed since the white man arrived here and, at least on two occasions in my lifetime, when I have been a participant.

We now have a situation where, if people wish to build a home in an area encompassing native shrubs and trees, native vegetation officers tell them they cannot clear an area exceeding 20 metres from the site, if they allow clearance at all. The Country Fire Service wants clearing of 50 metres, and councils do not have the intestinal fortitude to agree to the 20 metres and say, 'The 50 metre requirement doesn't count, but we'll give permission for the home to be built on the basis that the owner and builder will take care in making it reasonably safe through the type of materials used and the provision of fire-fighting equipment, including sprinklers and the water supply, and possibly removing some of the nearby dense vegetation.' That can be done; there is nothing wrong with that.

Until this year all the councils in the Hills issued notices to clear undergrowth so as to make it less of a fire hazard to neighbours. The councils are not prepared to do that now because the people in the native vegetation area say that the owner of the property must submit a development plan before they start to clear the bush, have it approved and pay $50. If they do not do that the council can fine them, but the council then has to put in a development plan, pay the fee and pick up the cost. How stupid is it when we get to that situation! This has occurred not so much because of the laws that have gone through this Parliament but because of the bureaucrats who interpret things in such a strange way.

The ACTING SPEAKER (Mrs Hutchison): Order! The honourable member's time has expired.

SUPPLY BILL (No. 1)

Returned from the Legislative Council without amendment.

MFP DEVELOPMENT BILL

Consideration in Committee of the recommendations of the conference.

The Hon. J.C. BANNON: I move:

> That the recommendations of the conference be agreed to.

Members will note that the report of the conference is rather extended and that the number of matters before us are considerable. Recommendations have come from the managers which, I believe, will result in an appropriate outcome for this Bill. As is always the case in these instances, there was a considerable amount of give and take on both sides but, at the end of the day, the important thing to ensure was that the integrity of the Bill remained in place, that the Bill did clothe the corporation with sufficient powers to get on with the development of the MFP and that, while satisfying local requirements in terms of development of the project, we had something that made very clear to those seeking to invest in it, national or international, the rights, powers and other aspects of the MFP by looking at the face of the legislation.

I will now report as to the appropriate amendments. As to amendment No. 1, it is recommended by the conference that the Legislative Council do not further insist on this amendment. This relates to the description of the site. The Gillman/Dry Creek site, as inserted by another place, is not

an adequate description of an area that includes Pelican Point, Largs North and Garden Island. The MFP core site is now recognised within the State, nationally and internationally and it is believed it should be retained.

As to amendment No. 2, it is recommended that the House of Assembly do not insist on its disagreement to this amendment. The Bill provides a parliamentary review through the Legislative Review Committee of any alterations or additions to the core site, Technology Park or Science Park, which is considered reasonable under the circumstances. In lieu of proclamation, a regulation procedure is provided.

As to amendment No. 3, it is recommended that the Legislative Council do not further insist on this, as it is consequential on amendment No. 1. As to amendment No. 4, it is recommended that the Legislative Council do not further insist on this amendment and that the House of Assembly make the amendment as set out in the schedule. This is consequential on amendments Nos 1 and 2, to which I have referred. As to amendments Nos 5 and 6, it is recommended that the Legislative Council do not further insist on these amendments. They are consequential on amendment No. 1, which I have already explained.

As to amendments Nos 7 and 8, it is recommended that the House of Assembly do not insist on its disagreement. The amendments relate to 'proclamation versus regulation', and the decision is consequential on amendment No. 2. As to amendments Nos 9 and 10, the recommendation is that the Legislative Council do not further insist on them and that the House of Assembly make the amendments that are set out, and we request that the Legislative Council agree thereto. The amendments are consequential on amendment No. 2.

As to amendment No. 14, the conference proposal is that the Legislative Council do not further insist on this amendment and the House of Assembly make the amendment as set out, and that the Legislative Council be requested to agree thereto. This amendment puts the impetus on the corporation to involve the private sector in the development of the MFP development centres. This was always intended. The original proposal of the amendment needed modification in the view of the conference, and that is what is proposed. It certainly sits within the spirit of the legislation and its intention.

As to amendment No. 15, the proposal is that the Legislative Council do not further insist on this amendment. This amendment sought to re-word the function of the corporation relating to consultation with the relevant Commonwealth authorities and to restrict the scope of investment attraction to South Australia. I think that this amendment basically resulted from a misunderstanding of the national significance of the MFP project. The fact that consultation is required with relevant Commonwealth authorities does not mean that they are running the project but it does highlight the significant role that the Commonwealth is playing and will be expected to play in the future in the project. It is not just a State project but a national and international project, and Commonwealth support could have been jeopardised by the proposed amendment.

As to amendment No. 16, the recommendation is that the Legislative Council do not further insist on the amendment and that the House of Assembly make a substituted amendment in lieu thereof, to which the Legislative Council's agreement is requested. The original amendment stated that the corporation 'must' consult with various administrative units within the State, the Commonwealth, local government and elsewhere. It has been re-worded to 'may' consult. It would be an imposition on the corporation if it was required by legislative fiat to have to consult with named organisations and persons. At times it would be difficult to determine on which issues the corporation must consult. The words 'so far as it is expedient to do so' were deleted from the new amendment as a consequence of changing 'must' to 'may'. So, the intention is preserved and the wording is preferable.

As to amendment No. 17, it is recommended that the Legislative Council do not further insist on it and that the House of Assembly make the amendment that is set out, and request that the Legislative Council agree thereto. The original wording provided, in the powers of the corporation, the ability to divide and develop land and carry out works. The Legislative Council's proposed amendment was to re-word this to state that the corporation could arrange for the division of land and the carrying out of works. Any person or body can only arrange for the division or development of land and the carrying out of works in any case, and they are not the functions that a person or entity can do in their own right. The power was therefore considered surperfluous and the conference proposed the deletion of that subclause.

As to amendment No. 18, the recommendation that the Legislative Council do not further insist on this amendment is consequential on amendment No. 1. Amendment No. 19 inserts a new clause relating to the environmental impact statement for the MFP core site. The conference recommends that the Legislative Council do not further insist on this amendment, and the House of Assembly makes the amendment set out in the schedule in lieu thereof. In fact, the amendment proposed by the House of Assembly, with which we request the agreement of the Council, differs only in that reference is made to the MFP core site, as opposed to the MFP Gillman/Dry Creek site. It is consequential on amendment No. 1. In fact, the integrity of the amendment is preserved. It had never been intended to commence development as defined by the Planning Act on the site until all the EIS processes had been completed. I assured members during the Committee stage of the Bill that this would be the intention. It was felt that that should be spelt out specifically in the legislation, hence the amendment.

As to amendment No. 20, it is recommended that the Legislative Council do not further insist on this amendment and the House of Assembly make the amendments set out in the schedule in lieu thereof and that the Legislative Council agree thereto. The Legislative Council had proposed the deletion of clause 12 relating to compulsory acquisition of land by the corporation. Compulsory acquisition powers are essential to the corporation, particularly in respect of the core site. Of course, that power would be used only as a last resort if acquisition by negotiation was not possible. There is certainly nothing unusual about such powers; many statutory bodies, Government agencies, local government and other bodies have legislative provisions of this kind. Of course, all the provisions of the Land Acquisition Act and the Valuation of Land Act would have to be complied with.

The first amendment proposed by the conference relates to clause 12 (1). It is proposed to amend this to read:

> The corporation may, with the consent of the State Minister, acquire land within a development area compulsorily.

It is considered reasonable that the corporation's powers of compulsory acquisition be limited to land within a development area, which includes land within the core site and land brought within the development area by regulation. The second amendment proposed by the conference relates to clause 12 (2), which provides for control of the capital value of the core site land. As originally worded, the value of the land acquired compulsorily within the core site or

brought within the core site by proclamation would be assessed for the purposes of determining compensation payable as if the core site were not subject to development under this legislation.

The amendment proposed limits the operation of clause 12 (2) to land compulsorily acquired within the core site. It would be untenable that any individual or group should make windfall gains as a result of core site development, so subclause (2) is needed to prevent that and prevent speculation. However, it was accepted that the subclause should be limited to land within the core site. It is reasonable that the value of land that is not yet identified as essential to the core site or to be added to the core site should be driven by market forces. It would be inequitable if, for example, a landowner wanted to sell their property on the open market in an area adjacent to the core site which had an enhanced value as a result of the core site development and, if the same owner happened to be subject to a compulsory acquisition order from the corporation, the enhanced value could not be realised. While some speculation could occur in the areas surrounding the core site as a result of this, on balance it was considered the most equitable approach.

As to amendment No. 21, the recommendation is that the Legislative Council do not further insist on this amendment. This amendment, which was proposed by the Democrats in the Legislative Council, really failed to recognise that the corporation is automatically bound by the Planning Act. Section 7 (1) of the Act provides:

Subject to this section, this Act binds the Crown.

Section 7 (9) of the Planning Act provides:

The Minister, if of the opinion, after consideration of a report—

that is, a report from the Planning Commission—

under subsection 6, that the proposal to which the report relates is seriously at variance with the development plan, may give such directions in relation to the proposed development as he or she thinks fit.

I want to reassure the Committee that, in the event of the MFP Development Corporation being listed as a prescribed instrumentality under section 7 of the Planning Act, and a proposal from the corporation was considered under section 7 of the Planning Act to be seriously at variance with the development plan, the Minister for Environment and Planning would exercise her powers under section 7 (9) and give directions in relation to the proposal to ensure that it was no longer seriously at variance with the development plan.

It should be noted that the Government is following due process under the Planning Act, and a supplementary development plan has been prepared for the MFP core site. The likelihood of a proposal from the corporation being seriously at variance with the development plan is, therefore, remote. If in the future the SDP was considered to be unsatisfactory, due process would be followed and an amendment to the SDP would be prepared. The Government strongly supports due processes, as set out in the Planning Act, being adhered to in respect of the MFP development.

As to amendment No. 28, the recommendation is that the Legislative Council do not further insist on this amendment and the House of Assembly make the amendment in the schedule in lieu thereof, to which this Legislative Council's agreement is sought. The only difference between the amendment proposed by the conference and that of the Legislative Council in this clause, which deals with the representative members of the advisory committee, is the inclusion of the ability of the Minister to choose from a panel of three nominated by the respective organisations set out in the Council amendment. Whilst it is not generally considered a good statutory principle to nominate organisations as such in legislation—for instance, they may cease to operate, which means a legislative amendment may be necessary to maintain membership or even create a quorum if a number of them go out of existence—it is considered reasonable to nominate those organisations which would have been consulted in any case, but with the ability of the Minister to select from a panel of three names.

As to amendment No. 29, it is recommended that the House of Assembly do not insist on its disagreement to this amendment, which is consequential on amendment No. 28, to which I have just referred. As to amendment No. 31, it is recommended that this clause be left out. It is consequential on amendment No. 34, which subsumes reference to the Economic and Finance Committee of Parliament. As to amendment No. 33, the recommendation is that the Legislative Council do not further insist on this amendment, which adds the word 'not' to the exemption from rates and taxes under any law of the State and effectively reverts to the original wording.

The majority of land within the core site is currently held by agencies of the Crown or is unalienated Crown land and is exempt from council rates. The exception is privately owned land and land leased from Government agencies. Council rates are then payable. This will not change by virtue of clause 32. Once the corporation-owned land in the core site is leased, occupied or ready for sale, it would then become rateable and subject to taxes. For instance, the Technology Development Corporation does not pay council rates or taxes, but the companies that establish at TPA or Science Park do pay council rates and taxes.

Under section 168 of the Local Government Act, unalienated Crown land or land used or held by the Crown or an instrumentality of the Crown for public purpose is exempt from council rates. Why then should the MFP Development Corporation lands be treated any differently from other Crown agencies? I would suggest that the Commonwealth Government would be concerned about providing financial support to the corporation, which would then be used simply to pay State taxes, whether to State or local entities and could well withdraw financial support if such a provision were in the legislation.

As to amendment No. 34, 'Reference of corporation's operations to parliamentary committees', the recommendation is that the Legislative Council do not insist on this amendment and the House of Assembly make the amendment in the schedule in lieu thereof, to which the agreement of the Council is sought. This amendment relates to parliamentary committee surveillance. The recommendation of the conference draws together the various strands and competing amendments or approaches. For a start, it indicates that the corporation's budgets are subject to annual scrutiny by the Estimates Committee of the Parliament. While not strictly necessary, nonetheless the provision will appear in the legislation.

Secondly, it specifically refers to the economic and financial aspects of the corporation's operation and financing, and being referred to the Economic and Finance Committee of the Parliament. Again, this is not strictly necessary, as the committee has power to review the economic and financial aspects of any statutory authority under its Act provisions. However, the conference agreed that it be inserted in the Act. Next, subclause (3) refers to environmental resources, planning, land use, transportation and development aspects, which are referred to the Environment, Resources and Development Committee of the Parliament. Again, this is not strictly necessary but it was agreed to have that provi-

sion in the Act. Then there is a series of further provisions relating to reporting.

Effectively, the committee has only been in operation for this year. I hope that these amendments that have been made to the MFP Development Bill in respect to references to parliamentary committees will not set a precedent for future legislation. That is certainly not the intention of the Parliamentary Committees Act. The committees already have power to review various operations, and it would be unfortunate if in future it was considered necessary to cross-reference their powers with provisions in all new legislation before Parliament, and quite confusing I would suggest. However, in this case and arising from the conference it was agreed that this provision be put in in that form.

As to amendment No. 35 relating to the annual report and details of remuneration, the recommendation is that the House of Assembly do not insist on its disagreement to this amendment. It is reasonable that the corporation should set out in its annual report such details. As for amendment No. 39, the recommendation is that the Legislative Council do not further insist on this amendment, which is consequential on amendment No. 1. Finally, there is the suggested amendment of the Legislative Council relating to the terms of any proposed loan being reported to the Economic and Finance Committee. The recommendation is that the Legislative Council do not further insist on this suggested amendment. It would be an unnecessary burden on the operations of the corporation. It is sufficient that the Economic and Finance Committee will have the power under new clause 32a to review the economic and financial aspects of the corporation's operations and the financing of those operations, which of course include its borrowings as well.

That summarises a very comprehensive approach taken by the conference. It is worth remembering that, even though there is a large number of amendments there, others of course have been successfully resolved between the two Houses. We are dealing here with the, if you like, residual matters that were not agreed to following the initial parliamentary consideration of the matter. The fact that we have been able to come out with an agreed document from the managers' conference I think is an important outcome. As I said in my initial remarks, while it may be that some of these amendments are not strictly necessary, the fact is that this leaves the Act substantially intact, certainly in its primary purpose of providing a framework within which this project can be developed.

Other Acts will have an impact on it, and of course the operation must have regard to those as well as to the Act under which it operates. However, if the report of the conference is accepted and the Bill is finally agreed to in this way, I believe we will have taken a very important step in the accomplishment of this project. The next step will be to move to the appointment of the corporation and to the work on site, as well as the various other matters that will flow from having this enabling Act passed. So, I am pleased to report that the conference has been able to make a comprehensive set of recommendations, which should be acceptable to the House of Assembly.

Mr INGERSON: I rise on behalf of the Opposition to support the amendments and the agreement of the managers as it comes back to this House. I want to make a few comments that the Opposition believes are very important. As with most conferences, there was a lot of to-ing and fro-ing in finally getting to this position. From our point of view the majority of the very important aspects of accountability, particularly those relating to financial accountability, have been accepted by the conference and consequently recommended to this House. Firstly, in relation to the matters that we think are essential, we believe that all changes to the legislation should be made by regulation and not by proclamation. We think that is very important, because it enables at least the committees of the Parliament to consider all changes that are likely to be made by Government, and it gives the Parliament the opportunity to discuss them and to either support them or reject them.

Secondly, the Opposition thought it was necessary to make sure in the legislation that the role of the private sector was spelt out in more detail than was the case in the original Bill. We recognise that the original Bill is enabling legislation and that fine detail is not necessary, but we believe that a better spelling out of the involvement of the private sector is very important. The conference recognised this and made amendments that will enable the private sector to be involved not only in the final stage of building and development but also in the actual planning stage, and possibly in the management stage. It also gives the Government an opportunity now, through this amendment, to involve the private sector more in the total development program. Also, in the consultation stage there was some concern about whether the expertise of the private sector could be used. An amendment has now recognised that and we support it strongly.

Thirdly, in relation to the environmental impact statement, it is the Opposition's view, and we believe a very strong community view, that the whole EIS process should be completed prior to any commencement of development work on the site. The Premier has referred to amendment No. 19, and this recognises this position, and we are grateful that the conference recognised that community concern. There is no doubt that the whole Planning Act and the involvement of the EIS in that Planning Act is an area of major controversy in the community.

We hope that, after the Planning Review has put its position, this EIS area will be strengthened and that those in the community who have to work in the development areas will be able to more accurately understand what requirements must be carried through by the EIS, and that the Government as well will be involved in making sure that any development in which it is involved will adhere to all the requirements of the Planning Act. There is no suggestion that the Government has not always done that in the past, but this is a concern that has been expressed by the community at many of the public meetings of the Planning Review. This provision is really just to make sure that the Planning Act and its provisions are adhered to.

Fourthly, the compulsory acquisition issue was a major one as far as the conference was concerned. It has been resolved very satisfactorily that only the core site and any other areas defined in this Act will be areas in which compulsory acquisition can occur. Outside those areas the normal acquisition principles of the marketplace will apply, and the Government like anyone else in the marketplace will have to pay whatever the defined price happens to be.

The control of capital value of proposed future purchases of land was a major issue as far as the conference was concerned. It was felt that outside the core site individuals' rights need to be preserved, because it may be some five to 20 years before other land is required to be purchased. The legislation we had seemed to be very restrictive in that it prevented people from getting what would be a normal market gain over that long period of time. Fifthly, we are very supportive of the comments made by the Premier in relation to section 7 of the Planning Act, whereby it might be possible for the MFP Development Corporation to become a prescribed instrumentality.

In essence, that means that the Planning Act can be circumvented, and this statement from the Premier makes very clear that that is not the Government's intention. We welcome that. It was a much discussed area during the conference, and we are grateful for the comments and assurances the community will obtain from the Premier's position. Sixthly, as far as the Opposition is concerned, the most important area is the financial accountability of the MFP Development Corporation. We note therefore that the budgets of the corporation will now go for annual scrutiny before the Estimates Committee, and the Economic and Finance Committee will be able to look at not only the economic but also the financial aspects of the corporation.

That includes the borrowings or any loans of the corporation as well as expenditure. We believe that that is a very important issue, purely and simply from the point of accountability. Again, from our canvassing, that was one of the major issues of concern to members of the community, who felt that the Government had fallen down in the selling of the MFP Development Corporation. With this reference to the Economic and Finance Committee, I believe that we will see a very important part of the public accountability the community is looking for.

The issues of the environment, resource and planning, and land use will be referred to the Environment, Resources and Development Committee, and we support that move. We have always supported the concept of a half-year report, but the conference, however, finally recommended that these reports be made to the Parliament on a 12-monthly basis. Finally, the only other issue that concerned us was that the corporation should not be exempt from rates and taxes, but the conference has clearly argued that, whilst the corporation will be exempt, any companies or individuals that develop their companies or instruments on the site would be paying rates and taxes and, on that ground, the conference accepted the amendment.

The Opposition notes that this Bill will now pass in the House. We hope that one of the major areas of concern, of marketing, will now be quickly cleared up and that the community will be given the opportunity to understand what the Government hopes to do with this development at Gillman and within the State, so that other sections of a proper marketing plan spelling out the goals and the general time frames of the development and, more importantly, telling the community of the job opportunities that are to be created, hopefully, by the MFP Development Corporation, can be seen by all members of the community, young and old, so that we do not have a huge gap between the theory of the MFP and what will in fact happen.

We hope that the Government will now direct information and policy for all to see, and that it will take place as quickly as possible, so that South Australia will see the MFP concept developed as quickly as it can be.

Motion carried.

The ACTING CHAIRPERSON (Mrs Hutchison): I draw the Committee's attention to amendment No. 30 made by the Legislative Council, which was agreed to by the House of Assembly prior to the Bill's being referred to the conference. That amendment inserted a new subclause (6) in clause 26, which includes the words 'the Minister' but does not make clear that the reference is to the State Minister. I therefore intend to make a clerical correction to insert the word 'State' before the word 'Minister' first occurring.

RACING (INTERSTATE TOTALIZATOR POOLING) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 31 March. Page 3718.)

Mr OSWALD (Morphett): The Opposition supports this Bill, and I am pleased, as I am sure the racing community also will be, to see it come before the House.

Mr Becker: They'll get a better dividend.

Mr OSWALD: That is indeed right. The member for Hanson is spot on: the betting public of this State will be able to get a better dividend, and during the debate I will explain to the House how that will come about. The Bill amalgamates the TAB pools in South Australia and Victoria, and it will be interesting for all members to hear some of the background of this amalgamation. South Australia's is not a very large TAB when we talk in terms of the total national pool. The figures I cite are for the win/place, in other words, the gross amount invested each week in the TAB in the three codes, which collectively adds up over the course of 12 months to some $350 million.

There is a little more involved, around $500 million all up, but we will not be referring to the exotic betting such as trifecta betting and the like. As I say, South Australia's proportion makes up only 10 per cent of the total pool in the Commonwealth. New South Wales has the largest pool, with some 48 per cent of the national turnover; Victoria, which already combines the Victorian, Tasmanian, ACT and Northern Territory pools, makes up 30 per cent of the national pool; and Western Australia has approximately the same percentage as South Australia.

What has been happening is that, because South Australia makes up only 10 per cent of the pool, about $350 million, and Victoria has a $1 billion plus turnover, many of the professional punters in this State have telephone accounts across the border in Victoria, and large sums of money move across each Saturday to the Victorian TAB. They do this because fluctuations do not take place as readily in a pool that has an annual turnover of some $1 billion as against a pool of $350 million, as in South Australia.

Let me give an example. A fairly large professional punter might walk into the ring at Cheltenham and put, say, $5 000 on a horse that was showing on the TAB 15 minutes before the beginning of the race at a price of $4 or $4.25 for a win, which is not inconceivable; the price would tumble back considerably to about $3.20, or even to $2.90. That creates a panic in the crowd, and everyone rushes in, thinking that that is the bet to have, and the multiplying effect is such that the price tumbles back. If people are betting into a pool that has a $1 billion turnover each year, they do not get these wild fluctuations.

The other matter that should be borne in mind by the House is that varying percentages are taken out by each State. Victoria currently takes out 15 per cent, South Australia 14.5 per cent and New South Wales 14 per cent. So, what also happens is that the professional punters have betting accounts in both Victoria and New South Wales and move money across the borders chasing the additional half per cent. For example, if South Australia is taking out 14.5 per cent and New South Wales is taking out only 14 per cent, there is a little more left in the pool. For the professional punter, that extra 5c or 10c in dividends warrants a telephone account interstate and a shifting of large sums interstate.

Victoria is in the same position. With Victoria having a 15 per cent take-out by the Government, and New South Wales having a 14 per cent take-out, the telephone betting

accounts in New South Wales are enormous. A lot of it is Victorian money going north into New South Wales. The Victorian Government, as I understand it, is currently considering bringing its percentage take-out back from 15 per cent to 14 per cent, and our legislation ultimately is to tie in with that move. The whole aim is that at the end of the day we will have a combined pool so that we stop money being shifted across the border, thus the percentage take-out in our State will increase, and that will benefit the three racing codes in that there will be further moneys available for distribution. Government percentages would also increase.

We have some hypothetical figures that we cannot avoid, as estimates must be done on what will be the increase in turnover. I understand that it has been established interstate that, whenever a pool has combined with a pool in another State, there has been quite a substantial increase. We know some estimates of the amount of money going across in the TABs. They are only estimates, because the Victorian and the New South Wales TAB will not tell each other or South Australia how much money is received from interstate, but the run is substantial. The only figures that may be confusing come under clause 5 of the Bill, which relates to new section 82a(4)*(a)*(i). I agree with the Minister's including that clause. It provides:

> *(a)* the law for the time being of the State or Territory in which the interstate TAB is established—
>
> (i) includes a provision corresponding to section 68 under which not less than 14 per cent nor more than 15 per cent of the amount of the bets accepted by the Totalizator Agency Board under the agreement must be deducted from those bets;

That allows some latitude between 14 and 15 per cent, because at this stage the Victorian Cabinet is still deciding on the final figure. It will be between 14 and 15 per cent. The Opposition agrees with the Minister on this occasion that he should insert a provision giving him some latitude so that, depending on what the Victorian Government finally decides as a percentage, and provided it sits between 14 and 15 per cent, our TAB can link in with it. We could not have a situation where we had different figures, otherwise we would defeat the whole objective of the Bill. Clause 4*(ab)*(ii) provides:

> In any other case, an amount equal to 14 per cent of the amount of the bets.;

That means that, if the agreement is terminated interstate and we have to strike our own rate, we can go back to a provision to strike that rate. If we strike a rate of 14 per cent in Victoria and something happens over there in one year so that Victoria decides that it wants to opt out or terminate its agreement with South Australia, at least we have a clause in the Bill to which we can go back, stating that the South Australian TAB will strike a 14 per cent, otherwise the whole Bill would have to be brought back to Parliament and the objective would not be achieved.

The Opposition will cooperate and push through this piece of legislation. It is important that it be in place before the spring carnivals, when large amounts of money move across the borders. The ultimate aim is the betterment of racing, trotting and greyhounds in this State. I am confident that, after it has been trialled, we will see a reversal. The ultimate aim is to link in with the New South Wales TAB. I do not want the industry to interpret that, because we are now linking the Victorian and South Australian pools, that automatically opens up the debate for fixed odds betting.

There is no doubt certain people in the industry will now put fixed odds betting on the agenda. However, a good deal of work needs to be done on that subject. It is not automatic and will not flow one to the other, although it now opens up the subject for discussion and I am sure that the mathematicians who have always had some apprehension about fixed odds betting will rework their sums in light of this change. The Government is apprehensive about moving down the track and, until the mathematicians provide me with some convincing figures, I share the Minister's apprehension, to some degree, about South Australia being the first State to trial it. The Opposition supports the legislation. We agree in principle with the safeguards incorporated in the Bill, and I urge all members to support it to ensure its speedy passage through this place.

Mr S.J. BAKER (Deputy Leader of the Opposition): I will make one observation about the co-joining of South Australia and Victoria. I have noticed recently that Victoria has not had a great deal of glory in being able to ensure that its TAB services function at 100 per cent or even at 99 per cent. Under the circumstances, I wonder what compensation packages have been negotiated to ensure continuity and to ensure that South Australia's enviable record in terms of running the TAB and betting services over a long time will be maintained. I have some concerns that the Victorian TAB's record is much blemished; it has not functioned as well as it should have in recent months. What guarantees have been put in place to ensure that the performance of South Australia's TAB does not suffer as a result of the Victorian TAB's indifferent record in recent times?

The Hon. M.K. MAYES (Minister of Recreation and Sport): I am pleased to have the Opposition's support and I thank the member for Morphett for his cooperation with this Bill, as it is important for the industry, as he stated. I thank him also for his comments with regard to the Bill itself and to its importance. He knows something of the industry and can therefore draw on that knowledge to make those comments in regard to the structure being offered for the pool. It is important that the member of Morphett has drawn the attention of the House to the specific clauses that implement the Government's intention. I do not need to touch on that, because he has comprehensively canvassed those points. His last sentences echo my feelings, namely, that we wish the Bill a speedy passage through both Houses so that the industry can benefit.

As an overview, this Bill will offer an enormous benefit to the industry, and the benefits that will flow from it in turnover and to the investor or punter are significant. From the viewpoint of the TAB, we are offered a new horizon and opportunity. I look forward to those negotiations being successfully concluded with the Victorians. The member of Morphett has referred to those discussions with regard to the level of taxation, whether it be 14, 14.5 or 15 per cent. From our viewpoint (and it is no secret), we would prefer to see the 14 per cent figure resulting from those discussions.

We would like to see 14 per cent as the conclusion, but that is a matter that involves negotiation and, of course, the Victorian pool, which takes in not only Victoria but the ACT, Tasmania and the Northern Territory, giving the southern and central part of Australia a similar pool. Our ambition in the long term would be to see a combination or amalgamation with not only Western Australia but also New South Wales, and we hope that this is the forerunner to that.

From my point of view it is important that we proceed with the Bill, which is clear and direct in its intention, being spelt out fairly clearly in the provisions. I hope we see the benefits flow in terms of around 10 to 15 per cent growth in turnover which will benefit everyone in the industry. I am not in any sense overlooking the benefits to the punter.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Interpretation.'

Mr INGERSON: I refer to the definition of 'interstate TAB'. How do the current discussions relate to fixed odds betting? Where does the whole scheme of fixed odds betting fit into the amalgamation process? Some time ago in this place there was a lengthy discussion on fixed odds betting, and my interest relates to the TAB, its potential expansion and the concerns expressed at that time, and also to the possibility of impact on the colourful and important group of bookmakers in this State.

The Hon. M.K. MAYES: As to fixed odds, it is important to give a brief background and really it is a bit cheeky for the member for Bragg to raise that matter because, if we had had his support in the past, we might have been able to gauge the success or failure of fixed odds betting in this State.

Mr Ingerson interjecting:

The Hon. M.K. MAYES: I can say that honestly. That aside, given the state of the industry and the need for us to be cautious with the industry at this time, I am sure that the honourable member and the member for Morphett know that we are going through tough times in the industry at every level, in respect of not only turnover for the industry but also the need for it to meet its stake money and have every part of the industry meeting the pressure on it.

I am cautious about embarking on a new form of betting which will in any way threaten the paramutual system or the funds that come to the industry. Although certain key members of the TAB are keen to see fixed odds betting, we should never knock anyone who wants to try a new idea. At this time the TAB overall would be cautious about embarking on that in these economic times, as would the industry itself. I would hope that we could again look at discussions around fixed odds, seeing them implemented when economic times improve, because that would be a more appropriate time.

In some ways it is fortuitous that we did not see it happen earlier, given the economic situation we are now in, because it would have been just when the recession hit Australia and that would have really stretched and strained the industry as a whole. The industry is addressing the issues confronting it. I am delighted to see the new General Manager of the SA Jockey Club in place. My brief encounters with him have been very useful and I have already gained a good impression of Mr Murphy's skills and background. I wish him success in that position. He would probably be cautious about inviting us to embark on fixed odds betting at this time.

In answer to the member for Bragg, it is important that we recognise that it is still on the agenda, but in these economic times it would be foolish for any Government or industry to embark on establishing such a process of betting for the industry. As to the interstate situation, the member for Mitcham raised the question of guarantees: we have naturally built in careful guarantees in connection with our prudential management of funds and it is important, even if it involves Victorian TAB which has conducted itself pretty well over the years, that we protect our funds, as we have done over the past 25 years.

Indeed, I am sure that members are aware that the TAB has been running for 25 years. I have referred to these matters at various industry functions, and I am sure it will come as no surprise to members of the industry when they read my remarks in *Hansard*.

Mr S.J. BAKER: Can the Minister inform the Committee what protection arrangements have been put in place should the Victorian TAB fail to perform to expectations?

The Hon. M.K. MAYES: Of most concern to our community would be what would happen if the Victorian computer went down, and I guess the member for Mitcham is referring to that.

Mr S.J. Baker: It went down four or five times.

The Hon. M.K. MAYES: Yes, we have had it happen once. In the past year I think it happened once, mid-week. We would immediately come back to our computers and revert to our handling of the betting process. That is how we would handle down-time.

Mr Ferguson: Why can't we get Brisbane races on a Friday afternoon?

The Hon. M.K. MAYES: That is another question, and I will deal with these matters one at a time. I will deal with the question of my colleague in due course.

Clause passed.

Remaining clauses (4 and 5) and title passed.

Bill read a third time and passed.

LOCAL GOVERNMENT (REFORM) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 9 April. Page 4165).

The Hon. B.C. EASTICK (Light): On 21 March 1984 the then Minister of Local Government (Hon. G.F. Keneally) introduced into this House the first of the major reform Bills amending the Local Government Act. The original second reading explanation of the Bill was couched in these terms:

> Efforts to rewrite the Local Government Act have been under way for at least 20 years, if not since the amalgamation of the District Councils Act and the Municipal Corporations Act in 1934. Everyone involved in any way with local government agrees on the need for the Act to be rewritten. The 1970 Report of the Local Government Act Revision Committee noted that 'the Act is hopelessly outmoded on many important matters'; 14 years later the same situation applies.

Many members will recognise that there have been a number of further attempts to amend and reform the Local Government Act since that time. At the time the first reform Bill came into the House the Minister indicated that there were to be a series of five Bills, hopefully in fairly rapid succession, to provide a completely new Local Government Act. The fact is that we have seen only the second of those major reform Bills, and that was in 1988, four years after the first. The three subsequent Bills, which were to tie it up, make it a nice neat document and bring it into the twentieth century—let alone get it close to the twenty-first century—have not eventuated.

It is recognised that there have been other occurrences, such as a change of attitude by the Government in relation to the existence of a Department of Local Government and its Minister. Even before that major reform, which still needs to be undertaken, many of the remaining original sections of the Local Government Act require attention and, whether they relate to roads or many aspects of by-law activity, they still need action, and undoubtedly there will be further attempts to rationalise the Local Government Act. On the occasion that I spoke of, in 1984, it was my privilege to lead the debate on behalf of the Opposition, and on 3 April 1984 at page 3141 of *Hansard* I said:

> The address to this Bill by the House is really the culmination of a very massive task. It is well recorded that actions by a succession of Ministers to rewrite the Local Government Act

have had something of a chequered career and that the original intent as laid down in the report by the Local Government Act Revision Committee on powers, responsibilities and organisation of local government in South Australia, which was completed and referred to the then Minister of Local Government (Hon. G.T. Virgo) in 1970, really bears little resemblance to many aspects of the Act as it exists now. It is an Act which has had a tremendous number of amendments.

There were a tremendous number of amendments to those two reform Bills in 1984 and 1988, and never a session of Parliament goes by without there being a number of amending Bills to the Local Government Act. That then brings us to the current situation, where we are putting reform on top of reform, never having completed the original reform to which I alluded a short time ago. On 18 March this year the Hon. Anne Levy, the Minister of Local Government Relations in another place, introduced the Bill to which we are now speaking—and one which has been amended quite considerably since its introduction on 18 March—and said:

This Bill is the first of a series of reform Bills which will result from the negotiation process between the State Government and local government, established under the Memorandum of Understanding signed by the Premier and the President of the Local Government Association in 1990. As members will be aware from other statements made in this place, the intent of the memorandum is to establish new relationships, reflecting a cooperative approach to the development of the State and the productive and efficient provision, planning, funding, and management of services to the South Australian community.

The Opposition has no argument with the general purport of that statement of the Minister. However, it is quite regrettable that following the introduction of this Bill there has been some rather serious badmouthing of members of the Liberal Party and minor Parties by senior executives of the Local Government Association and some senior council people at the same time that there has been a great deal of representation to members of the Opposition and other members about major flaws or major concerns as to the course of action that the Government, albeit with the assistance of the Local Government Association, is undertaking.

The truth of the matter fits somewhere in between: there has been a considerable amount of consultation, but that consultation in many respects has not been understood by a large number of people in local government. As recently as this week quite senior members of local government, whether they occupy the chair as Mayor or Chairman (of a particular council), have written to me saying that they know what the legislation is intended to do but are not yet sure that we are going down the right track. Some members have even asked us to delay the passage of certain of the clauses of the Bill. I do not intend to do so but wish to identify to the House the fact that local government *per se* is not yet at ease with all aspects of this Bill that is before us, and that is unfortunate.

We recognise and, at this very moment, are working to make sure that as much of the Act as will assist local government and its relationship with the Government will be in place by 30 June 1992 to allow the transference of powers by the Government to local government. We recognise, again from what the Minister has had to say and what the Local Government Association and others directly associated with local government have had to say, that a package of further quite major reform measures is to be considered in the budget session which could flow over into next year's autumn session of Parliament.

There are major changes in the whole aspect of local government. Circumstances which have not been adequately addressed in the past will be addressed in part of this Bill. We recognise that, and we give our support to further consideration of those matters. We recognise also the fears that have been expressed by the Local Government Association and by the local government interrelationship group that some of the amendments that were included in another place have far wider implication for local government than perhaps was intended by the movers of the amendments and that, therefore, there may be a need—and we will support that need—to draw back in some areas from the decisions that were taken in another place, thereby allowing for further amendment which can then be taken back to the Upper House for consideration.

It is a relatively complex issue in a number of cases. It is important that we give full regard to the demands of all those who would be heard on this matter. Ultimately it is up to both the government and Opposition members of this House to determine what is achievable at this time and what will go forward as the measure to assist local government through its Act for the next few months. When further consultation takes place, when more councils are better aware of the intent of some of the changes contained in the Bill, they will perhaps go back to the point where the Minister and the Local Government Association had agreed on a decision but which is not understood in local government and which local government has asked us, the Independents and, in most cases (and I know this because I have seen the letters), the Minister, to draw back from it whilst it becomes better understood.

I appreciate the fact that the Local Government Association, through its President, some of its senior executives and its Secretary-General, has been moving around the countryside in an endeavour to cause people in local government to understand the program that is afoot. It is a fact that large volumes of documentation have been taken out to local government areas and left with or forwarded to them setting out the various progressive moves necessary to achieve a particular result. As much as we find in other areas of government, I have no doubt that much of that documentation has not been read, not been read completely or has not been understood when it has been read, because in a number of cases it has been possible in the field to ask the people who are indicating a concern relative to the content of the Bill, 'Did you see it in this light?' or 'Did you read it in conjunction with . . .' and then refer them to a further aspect of the Local Government Act or of the Bill.

The Bill contains an element of confusion, which is a casual agent in some of the mischief which is abroad at the moment, as well as in some of the difficulties that are present. Whilst those concerns exist, I believe that we as a Parliament must heed a number of those concerns and make our judgments based on whether the concerns can be addressed a little later, perhaps to good effect, or whether perhaps the concerns do have a real point to them. Regarding the consultation with respect to this Bill, when the Bill went out it was not very long before several local government bodies, particularly those in the country (and I do not differentiate the country from the city *per se*), which are responsible for the leasing of closed roads or roads the control of which is vested in local government, somehow asked, 'Hey, do you know what you are doing?' It is quite impossible and quite unproductive financially to require local government to expend up to perhaps $60 or $70 per annum to advertise a lease or an intent to make a parcel of land available when the rental will be $10.

I accept the fact that the Minister, through her office and with the assistance of all members in the Upper House, very quickly made changes to that aspect of the Bill, which had been consulted about, which had been sent this way, that way and every way, but which still contained that flaw. Some might say that it was only a small problem, but the councils in those areas with a large number of closed roads,

particularly Clare, Angaston, Saddleworth and Auburn, which are towns that have come to the attention of this Parliament through the years, would have lost thousands and thousands of dollars to fulfil a requirement of an Act which, for all intents and purposes, had the imprimatur of both the Government and the Local Government Association. It was not until the matter went to consultation in the field that the real difficulties were understood and resolved.

I use that example because a number of other problems are associated with the Bill, which was introduced by a Minister in another place and which has implications that I believe were never intended. In relation to those matters, consultation has been requested of us by members of the executive, albeit not the senior executive, of the Local Government Association, individual councils and individual councillors. I believe that has framed the attitude expressed by my colleagues in another place and as expressed by me at present. It was certainly addressed and supported by the Democrats in the Upper House, who certainly sought a number of amendments. From discussions with Independent members in this place, I know these matters will be addressed by way of amendment when we get to that stage later. What I would like understood from that statement is the fact that the Bill is complex and it does have ramifications. It is necessary not to hasten slowly in an obtrusive or a dog-in-the-manger attitude but to heed all of the points that are being made. That is something we will do.

After reflection and further consultation, not all the amendments that were made in the Upper House are necessarily supported by members of the Opposition on this occasion. When we get to the Committee stage there will be a withdrawal from some of the positions that were suggested in the other place. It is a fluid situation, and one which I believe the Minister will approach in that way, looking again to the benefits of the major issues concerned, but not moving too fast where major doubts have been suggested. I have taken some time to draw that position to the attention of the House and, through *Hansard*, to the attention of the public. There has been bad mouthing of my colleagues, both here and in another place, to a degree where my colleagues adopted an attitude which did not rest well with some senior members of local government. We represent the whole community and not just a group who says that it is the spokesperson or the spokesgroup for a particular industry.

Let me illustrate again one of the difficulties that arose at the time this matter first came before Parliament. It rests very heavily on giving to the Local Government Association responsibilities that it has not had in the past. I am not against that, but it is in advance of this Parliament's being given the opportunity of deciding and putting into legislation a clear indication of what is the Local Government Association. If we confer particular advantages and responsibilities to an organisation, and it will be for the whole of the local government industry, we want to know precisely the constitution of that group and how it will all be linked together. We are not discussing that issue and, therefore, there must be some doubt as to what is the managing body.

We know the personnel involved and we know the intention, but we have not yet received the document or the words that lead to this circumstance. Whilst these discussions were going on we also had the Adelaide City Council—and some would say the most important council in the State, although I do not want to put any sort of inference on what might be considered the most important—suggesting that it would withdraw its membership of the Local Government Association. If one council is not a member, there would be difficulty in the association speaking for all parts of industry, and in this case it would be the council for the capital city that was not a member of the organisation.

There have been other councils, whether city, corporations or district councils, that have from time to time suggested that they might withdraw, that it is becoming too costly or too dictatorial, or that the association is not providing the services that they believe they ought to get because of their remote location or whatever. I will not name names or say that all these claims are based on reality. Some might be spur of the moment attitudes that are given some public utterance and may be based on a false premise. We are being asked to go into uncharted waters with the passage of this Bill, so what will happen if any of these circumstances occur, with any one unit body of local government?

Another area that has caused concern with individual local government bodies relates to the fact that at the last annual general meeting of the Local Government Association it was suggested that local government should enter into a per capita, or similar, representation mode. That is a little bit like the card system of the Labor Party. I do not say that in a disparaging way. It is a fact of life. One person walks in, puts up their hand, and there are 10 050 votes, because there were 10 050 voters, whilst another person walks in and puts up their hand and there are 3 693 votes.

The Hon. T.H. Hemmings: That was mine!

The Hon. M.D. Rann: Mine was 142 500!

The Hon. B.C. EASTICK: Any advance? The point I make is that this view is abroad. I know it has been refined, and I take my hat off to the State President of the Local Government Association, Alderman David Plumridge of the Salisbury Council, because I know that, as he has been moving around, he has suggested to local government a rather different approach. However, we recognise the fears that exist in the smaller councils—and you Madam Acting Speaker would be aware of this due to some of the small councils that you have in your electorate—that they will be suddenly submerged and expected to follow the dictates of one or two councils based in the middle of Adelaide. That is another area of grave concern. No doubt this will be addressed by the Local Government Association in the months ahead. If Alderman Plumridge's suggestion is eventually accepted it is likely that the councils will be put into three grades, with three votes, two votes and one vote. I do not know that every council will be safisfied with that, but I am advised that many will be. So we are looking at possibly a change of approach.

It was very fortunate that, at the last annual general meeting of the Local Government Association, this move to give greater one vote one value principles to local government was quickly put on the sidelines when Councillor Angove of the Adelaide City Council suggested that there should be no more of this nonsense and that the matter ought to be taken off the agenda. I am very pleased that it was, otherwise it would have seen before the end of that meeting the complete disintegration of the Local Government Association as we know it. I may seem to be overemphasising the situation, but I am sure that members would agree that I am doing so from a basis of reality. Those of us who live close to our local governing bodies know the way they feel and we know the importance they attach to being recognised as being part of a whole team and not to be seen as just as an appendage with no say and no opportunity to provide a voice for the people they represent.

All 119 council bodies in South Australia clearly need to have an input and we need a recognised appreciation of all councils. We cannot just look at them on the basis of how

many electors they represent. That is a feature in overall discussions and representations so far as the Local Government Grants Commission is concerned—and there is no argument about that at all—but when it comes to the actual decisions about how local government overall shall be run, we need a delicate approach. I believe that, with what is taking place at the moment, that delicate approach will occur.

I want to address some of the reasons that were expressed by members in another place and by my colleagues here when accosted out in the field as to why it was considered that changes were required to a Bill and to one area in particular referred to by the Minister as having been arrived at by consultation. The Minister had made changes different from representations received from the Local Government Association in respect of the panel system and the method of approaching Advisory Commission type activities for boundaries and ward changes. This was an area of some contention, and it remains as such, between the Government and the Local Government Association. This matter will be debated in this place later this evening.

The series of changes that were effected in another place do not rest kindly, in a number of aspects, with the Government or the Independents or with the Opposition. The Minister in the other place indicated that, upon obtaining further details, some further finetuning may be necessary. In relation to some of the amendments that were accepted by the other place she gave this undertaking, and I believe that it is now necessary to undertake that further finetuning. As from 1 July 1992 local government is going to be a somewhat different body from that of the past.

It will have more direct responsibility and will be able to make decisions of its own volition. Previously, it could make suggestions, but the decisions had to be confirmed or given due regard by another body, generally the Minister or some Government department. Those matters will disappear. The problems for local government have been addressed over time as to how the finances, which have been available to local government from the Government in the past, will flow through in the future. A number of those matters have been resolved, while some, I believe, are very close to resolution.

For example, the Minister, in bringing the matter to the House, has indicated that she would like to see this concluded so that the undertaking entered into by her as Minister (on behalf of the Government) and representatives of the Local Government Association can fully address responsibility associated with the library system. You, Madam Acting Speaker, would be no different from anyone in this Chamber who has had very clear messages from the local governing bodies asking whether they will be able to provide the service to their communities through the library system, which the Government asks them to undertake and which it has funded, or whether they will find themselves having to draw back those services. A number of local governing bodies have already announced that possibility to their communities, and it has caused a great deal of concern, particularly to those which provide an essential service to senior grade students who use the library facilities to obtain reference books and other material vital to their studies.

I will not divulge the system that I am led to believe is in place, other than to say that, if that arrangement is concluded, having regard to an amount, a triennium and a growth factor less a reduction factor (the growth factor being any CPI movement; the reduction being a graded reduction over a period), most local governing bodies will be able to accommodate the changes by addressing the matter seriously. Their ability to address the matter seriously will be by virtue of the introduction of the PLAIN system of computerisation, which better provides for control of stock, the movement of stock, and reduces the amount of direct handling and checking of stock.

That is one area in which microeconomic reform, if we can use that term and take it from another context altogether, is in place, is functioning and, I believe, can become more functional and will impact favourably on local government, albeit that the Government does not have the same degree of input or involvement as it has in the past.

I must throw in one important note of caution: what will happen at the end of the first triennium? Anyone who has had any involvement in universities or colleges of advanced education or, indeed, in other programs that have been on a triennial basis, will know that one must watch very closely and start talking and delving far enough in advance of the completion of the triennium to make sure that there is no grave disadvantage and that the now responsible body (in this case, local government) suddenly finds the whole lot in its own lap.

That is a problem that has occurred from time to time, and one that has worried local government. It has worried local government in respect of the amount it has been called upon to pay for valuations, more specifically, in the past 12 months, when a minimum charge was placed on councils for the provision of valuations. It is a matter of some concern to local government at the moment in relation to services provided by the Electoral Commissioner. When we write into the provisions of this legislation certain other activities by the Electoral Commissioner, will it be at a cost that is affordable or at a cost that causes undue pressure upon local government? You, Madam Acting Speaker, would well know the difficulties in relation to road funding. Will it be on an equitable basis? Will the fact that it has now moved from a direct departmental allocation to an allocation through the Local Government Grants Commission system be always as mindful of specific needs as it has been in the past?

At this point let me say that I very much respect the work that was undertaken in this Parliament by the Hon. Roy Abbott some years ago when, as Minister of Transport, he recognised the importance of specific projects in a number of areas around the State and put aside a sum of money that could be allocated on a regional basis to priority projects, the money being available to priority 1 until such time as it was concluded, when it rolled over to priority 2, etc.

Those moves by the Hon. Roy Abbott some years ago have been responsible for the completion of a number of roads that are quite important for trade and industry and, more particularly, for country people. If they were to disappear completely—and there is some suggestion that they have already gone—my colleagues the members for Custance and Eyre would be stamping for a long time to come, wanting to know what has happened, for example, to the Morgan to Port Augusta road, a road which cuts off thousands of miles per annum for major transport moving between the Eastern States and Western Australia but which many of them would not dare to go out on at present for fear of lying with the broken back of their vehicle for days on end.

It is a fact of life, but that is a vital link for the State, and I do not promote it any further than that, other than to draw attention to the fact that the local government regional bodies had started to put that project into a priority. We do not know whether that priority will be maintained or not. These are other issues that are exercising the mind of local government and, more particularly, some of the smaller local governing bodies are more cautious and more

concerned than some of those that are larger in stature and able to have more research staff and more staff to provide full and factual reports to them.

The matters contained in the Bill will allow local government to progress further than it has. I will just go back to the original remarks made by the Minister in 1984 when he introduced the first reform process. He said:

> This Bill now being presented to Parliament would represent a unique achievement, indeed, if it were able to satisfactorily combine all views expressed prior to and during the consultation period. This is not the case.

He was a realist. The Minister continued:

> However, the changes made by the Bill and the rationale for those changes are well understood by all involved, if not agreed to in total. The intent of these proposals is certainly widely acknowledged.

Those words can be lifted out of that context in 1984 and attached to the Bill before us presently because many of the aspects of the presentation on that occasion can be applied to the proposal before us. I do not intend further to discuss the contents of the Bill, because it is basically a Committee Bill. Although I have had a degree to say on the general positioning of this Bill in relation to local government and other Bills that have gone before, the virtues and issues will come forward in Committee. We support the Bill to the second reading and look forward in due course to amendments which are necessary and which will be forthcoming.

Mr S.J. BAKER (Deputy Leader of the Opposition): I take this opportunity to address one or two items in this Bill, in particular to refer to some of the matters alluded to by my colleague the member for Light and, importantly, the state of change that is taking place in local government today. We are going through an interesting and exciting period in local government. Under the series of reform Bills there is an assumption by local government and the Government of South Australia that these changes will not only give councils greater autonomy and greater decision making power but also ensure that with those increased powers there is appropriate financial responsibility. In some way, it is disappointing that this Bill has come before the Parliament because, as the member for Light pointed out so eloquently, it is a case of the cart before the horse: we still have the main item on the agenda, namely, the Constitution Bill which involves the way in which local government and councils will get together to form themselves into a cooperative and working body, which will operate in the best interests of councils and, ultimately, the people who pay the rates.

The legislation has not been handled overly well by the Government. Given the changes taking place, it is appropriate that members of the Opposition be provided with sufficient warning of the changes sought, even if we get only draft statements about the intention of the Government. In these circumstances, the Bill was rushed in with no prior warning to the Hon. Jamie Irwin in another place. He is the shadow Minister of Local Government and the appropriate person to have been consulted prior to legislation of this nature being brought before the Parliament. It is essential, because local government should not be a matter of Party politics at all: it should be a matter of agreement between the various people who would seek to represent local government as an entity and the legislators—ourselves—to ensure that the final result is the best possible.

Under such circumstances, I find the haste with which the Minister thrust the Bill before the House without dialogue and discussion with the Opposition particularly reprehensible, because we do not want to make it a political bun fight. There is nothing in it for the State Government. We are attempting to interpret the wishes of members of councils and their governing bodies in terms of where the future of local government should lie. Therefore, I class this Bill as an unfortunate piece of legislation from the viewpoint of both the lack of prior consultation and the preempting of what I would have thought were matters appropriate for consideration in a Constitution Bill to determine the standing of local government in the community in respect of its position as the third tier of government.

I also reflect on the extent to which local government has the respect of this Parliament. I will quote from a statement in the report of the Mayor of Unley dated 27 April 1992, as follows:

> The month of April begins with April Fools' Day. In Unley, April Fools' Day was somewhat extended. To put the matter on the record, it has been my understanding that the issue of the recent dispute over the shopping centre has been that the council has a job to do and one which is council's alone. This responsiblity has been recognised in the memorandum of understanding signed by the Premier and the Local Government Association of South Australia. The implications of that memorandum were confirmed to my satisfaction by the Speaker of the House when inquiries were made concerning the fallacious threat to take the council before the Privileges Committee of the Parliament. No such body exists. To put the matter simply, the council is elected to carry out given tasks. It should therefore be treated with the respect that accompanies such a mandate.
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> The attempt to subvert this mandate has appalled me. Equally the slander that has 'appeared' in the course of the 'discussions' is also abhorrent. Knowing the work that all the councillors put in and the consultative mechanisms we all employ, I was particularly repulsed by being called or likened to a Fascist and a Nazi. I was also astounded that the person who made such odious comparisons—

namely, the member for Unley—

> also made the amazing claim that they had a comprehensive and, by implication, exclusive knowledge of the city's collective mind: a knowledge which, also by logical deducation, makes the councillors redundant. More worrying than the attempt at manipulation of the democratic and legal responsibilities of the council is the issue that an erroneous image has been created. It is one which casts the council in the image of the government of Adolf Hitler (who incidentally was born in April). As any diminution of democratic institutions, no matter how small, is an attack upon the total fabric of trust that people deserve to have in their elected representatives, then we all have a serious task or re-establishing that trust. Even those councilliors who might, for some misguided reason, have participated in the 'attack' on the council.
>
> In keeping with the title 'Kennan's Catastrophe' and to close these remarks, I will comment that I believe that the effects of the fallout from the recent confrontation will be long lasting. There will also be some aftershocks of some intensity.

As members of this House would be well aware, the member for Unley made some outrageous statements about the conduct of the council, yet here we have a Government that is putting forward legislation to give councils greater autonomy and more responsibility. If we consider the full extent of the changes proposed, we see that they reflect greater financial accountability, and one might think that the member for Unley was hanging his hat on that rather than on some of the other items put forward in this Bill.

Let us be quite clear: the member for Unley was in the process of using local government as his whipping boy or girl in order to increase his profile in the electorate, knowing that he is at extreme risk at the next election. It is appropriate for members of Parliament, in their dealings with councils and people who are ratepayers, to be able to question local government. There should never be any doubt about that. When we have a situation where a Labor controlled council, I might add, is being attacked by one of its own, we have to question the values of the Government on this issue as one of its senior Ministers is obviously intent on displaying his disgust or dislike for the decisions being made, purely for political purposes.

So, we should be mindful of what we as a Parliament are attempting to do regarding local government and see whether there is some consistency in approach. Has the Minister for Local Government Relations had a chat to Minister Mayes, the member for Unley, and said, 'Look, what you are doing here is not in keeping with what we believe to be the relationship between State MPs and their local councils'?

Part of my constituency is in Unley, but I would like to pay tribute to the Mitcham council. Mitcham was to be consumed by the Minister through the recommendations of the advisory committee, and we fought and fought and at the end of the day we won, because we believed in the right of people to choose their representation. Mitcham has been one of the longest standing councils; it is the second longest standing council, the Adelaide City Council being the longest standing. Mitcham council was established in 1853.

In paying tribute to Mitcham council, I indicate that council members have spoken to me and have expressed concerns about the legislative program. They do not want to rock the boat, because they believe that local government is at the edge of an exciting era involving greater recognition, an era that gives it greater levels of self-determination. They do not want to rock the boat but, I assure the House, the Bill does not enjoy universal support. Every clause in the Bill has not been adopted and taken to the heart of local government—far from it.

Some clauses in the legislation have caused difficulty but, because of the actions of the LGA, which has called for solidarity, members of the Mitcham council and other councils whose members have talked to me say, 'We all want to be heading in the same direction. We will not rock the boat, but be aware that we are not completely satisfied with the changes contained herein.' I wonder, without being inflammatory in any sense, from where some of the changes have emanated. Have they been the result of all councils being consulted on changes? Have the 120 councils been given a long list of proposals, and have they all sat down and looked at those changes and communicated to the LGA, or formerly the Minister of Local Government, their thoughts about which areas of reform best suit their needs? I will guarantee that they have not.

The member for Light talked about the extensive and considerable volume of material handed out to councils. Councillors are not paid; they are volunteer and part-time, and they have to fit their reading and consumption of material into a limited time frame, because they have families, jobs and other responsibilities to attend to. In such circumstances, it is fair to say that due consideration may not be given to legislation or to change unless people are given simply set out options with accompanying arguments so that they can make up their own mind. I would hope that any local government legislation would go through that process. It is not appropriate for certain people in South Australia to presume and assume what everyone would like. If the local government body—the entity which is to be the coordinator and which acts as the principal spokesbody for councils—is to be representative, that process has to be followed, but it has not been followed in these circumstances.

The member for Light touched on a number of issues about which we are concerned, and those matters will be canvassed in Committee. This is a bad start to reform in South Australia. I note the comments made by people about the stance of the Opposition, but let me be frank: as I said at the beginning, the Government and the Opposition have not got an axe to grind in these circumstances. All we want is to provide the best framework and the best set of rules in order to benefit all those people whom councils seek to serve.

There are some difficulties and problems. There has not been the dialogue that we would expect and, to a certain extent, some individuals who have been most outspoken about the stance taken by the Liberal Opposition are perhaps very much at fault in the process. Whilst we will discharge the Bill on its merits and there will be further changes made by amendment, I hope that, next time, when a Constitution Bill or a Bill on local government is before the House, a path will be followed so that all councils understand what the issues are and there is general consensus or majority feeling about the sorts of changes that should be embraced. Whilst I do support the second reading, I do note some of the unfortunate occurrences that have preceded this legislation and I trust that the Government will lift its act.

Mr SUCH (Fisher): I am pleased to comment on this reform Bill. Having served in local government for a couple of terms, I am a great supporter of local government. At the outset I would say that, whether in this place or any other place, we should examine our consciences to make sure that we genuinely regard local government as the legitimate third tier of government, because I suspect that from time to time there is a bit of double talk that goes on, when the reality is that not all parliamentarians—whether they be State or Federal—really accept local government as an adult, mature and legitimate form of government.

I believe it is and that it should be treated in that way—not as some inferior second cousin but rather as a form of government that is a critical element in our threetiered system. A cynic might point to the three tiers and suggest that, rather than being 'tier', it should be 'tear'. I found my time on council rewarding, and I believe that local government has much to offer, but there needs to be fundamental change. Significant changes are mooted in the Bill. I have difficulty with certain aspects of some reforms, but I support the general thrust. As members know, we have many councils in South Australia, and some people might suggest that we have too many. The question whether there are too many or not ultimately has to be decided by the people affected. Too often we are obsessed with the question of the size of a council, yet I do not believe that size itself is the critical factor.

The critical factor is the efficiency of a council, and I believe that, through grants or any other financial interaction with local government, the emphasis should be on encouraging and assisting councils to be efficient, rather than to be obsessed with necessarily simply making councils bigger. The old adage of 'small is beautiful' can often be true. Nevertheless, I believe that there must be some consideration of whether the number of councils is appropriate and whether the present configuration is the ideal one to serve the community.

Whether or not councils amalgamate, there can be a sharing of resources (and I note that some councils have been moving in this direction). I believe that some councils have far more computing power than they could ever use. This is only one area where they can work together, share resources and achieve the benefits that would otherwise come about through formal amalgamation. Similarly, it is possible to save significant amounts by joint purchases of products, such as oil, and by tendering for the construction and bituminising of roads. We do not necessarily have to adopt the formal amalgamation process to achieve the benefits of economy of scale. In my own area the Southern Region of Councils is working towards that end. The four

councils in my electorate—Marion, Noarlunga, Mitcham and Happy Valley—are all different and I believe all work effectively. However, they themselves acknowledge that they need to change and are in the forefront of some innovative changes.

No matter what reform mechanisms are put in train, I believe that the quality of councils comes down to the elected members and staff. From my experience, elected members are dedicated and are elected to councils with a view to serving the community, and they generally operate on that basis. These days one does not very often hear accusations of people being on councils to look after their own financial or other interests, and I think that that is a reflection of the maturity of councils and the fact that councils are constructive and positive in what they do.

I would like to see a greater representation of women on councils, although I notice that that is happening in many councils. I do not say that in the sense of having merely as a goal the election of women onto councils: the goal is to have on councils women who can contribute, and obviously there are women in the community who can do so. Whilst this reform Bill does not address that specific aspect, nor could it, I think we have to look at the operating style of councils to make sure that they do not purely reflect the traditional male approach to things. That has been one of the aspects that has deterred many women from getting onto local government, that too often there has been an element of what you might call the 'boys club' or the 'boys network', with traditional aggressive approach to issues, and I believe that that is where women could make a great contribution in bringing an additional perspective to discussions and debate.

Although I would not support a reform that stipulated that half the councillors must be female, I believe that it would be of great benefit to the community if more women stood for election to councils. From my experience of being on council, I have noticed that the women who are on council not only have contributed but have gained a lot themselves. As I indicated earlier, I believe that the specific issues in this Bill are significant although there needs to be some finetuning during the Committee stage, in which I look forward to participating.

Mr BLACKER (Flinders): I support this Bill through the second reading stage. I note that it is basically a Committee Bill, involving many issues on which argument and debate could take place. I wish to place on the record the concerns that have been expressed to me by many of the councils in my electorate. The City of Port Lincoln is the only corporation within my electorate. At present there are 10 local government authorities in my electorate, and after the redistributions I will lose two but gain another two, so there will still be 10. The City of Port Lincoln wrote to me seeking my support for the Bill and outlined a number of reasons why that should be so. I will read this letter into the record because this matter was debated at length within council and considerable thought went into the letter (which I take it was sent to other members of Parliament as well). It states:

Dear Mr Blacker,

Local Government (Reform) Amendment Bill 1992

I refer to the Local Government (Reform) Amendment Bill 1992 currently before Parliament.

At a meeting of council held on 13 April 1992 council resolved to again support the need for legislative reform for local government and in particular called on all parties to support the Local Government (Reform) Amendment Bill 1992.

While council acknowledges that the Bill presented to Parliament required some 'finetuning', it was felt that this could be achieved during the Bill's passage through Parliament.

This council does not support the continuation of the Local Government Advisory Commission as the body to administer boundary change as its past record demonstrates that it, and the process through the Minister's office, is unable to achieve anything other than the simplest of changes. Too often meaningful debate and change is lost in the circus of political debate and nothing is achieved.

Local government in South Australia is at the forefront of change which will bring efficiency of operation and services to its residents at costs which are competitive with local government in other States. This has been achieved by the collective will of local government and is demonstrated by its successes of the Local Government Finance Authority of South Australia, the Local Government Mutual Liability Scheme, the Local Government Workers Compensation Scheme, the Council Purchasing Authority and the Local Government Training Authority.

The State Government has recognised the achievements of local government and has entered into a State/local government review in a further attempt to rationalise services and further reduce costs to residents without compromising services. Significant achievements have already been made but there is still much to be done.

The Local Government (Reform) Amendment Bill 1992 is a further step in the reform process of local government.

This current Bill allows for:

1. The creation of a new mechanism for considering boundary realignments and the balancing of wards.
2. The strengthening of council by-law making powers.
3. The creation of a new mechanism for setting fees and charges.
4. The transfer of some ministerial approvals back to councils with appropriate transparent processes.
5. The tidying up of some sections of the Local Government Act as requested by local government.
6. The introduction of three year terms for council members with a view of enhancing local strategic planning which is so important to reduce costs and improve services.

As a consequence of these arrangements the following events will occur which are a further outcome of the State/local government review process:

- The dissolution of the Local Government Services Bureau will occur after 30 June 1992.
- The libraries agreement will be given full effect.
- The Minister will propose a small internal local government relations unit to assist her and paid for by the Government.

This council calls on you to support local government reform for the future and to support the Local Government (Reform) Amendment Bill 1992.

Yours faithfully,

[Signed]

F. W. Pedler, Town Clerk.

I quite deliberately read that letter to the House in its entirety. Whilst I accept that it probably does represent the view of many people it does not necessarily mean that the view that has been expressed by the City of Port Lincoln in that letter is shared by all councils.

I would like next to refer to a letter that I received from the Cleve District Council, which has a different view in relation to local government boundaries because some of its wards were annexed to the District Council of Elliston—which resulted in some heartburn to the councils involved. There are varying views about three-year terms. Whilst I understand some of the thinking in relation to three-year terms, I have a personal preference for four-year terms—half the council in and half out—and I believe that that proposal has popular support. The extension to a four-year term will mean that many, or in some cases all, experienced councillors could be replaced at a subsequent election.

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

Mr BLACKER: I wish to raise a couple of other points in relation to the composition of the special panel proposed in the Bill. Under the Bill, the panel will consist of a person nominated by the Local Government Association of South Australia; a person to be nominated by the Minister; the chief executive officer of a council or a person (other than a chief executive officer of a council) with extensive experience in local government administration, nominated by

the Local Government Association of South Australia; and a person nominated by the United Trades and Labor Council after consultation with the Australian Services Union (South Australian and Northern Territory branch) and the Australian Workers Union (South Australian branch).

Most members would have received a letter from the District Council of East Torrens asking why a member of the councils involved in the dispute has not been included in that panel. The logic of the argument is that, if two councils are involved in a dispute over boundaries, it would be appropriate that a member of each of those councils be present on the special panel, because it would provide local expertise that could assist and guide members of the panel. I have some sympathy with those views, because it is indeed appropriate that local knowledge be brought to the special panel when discussing matters of that kind. Further, in relation to the special panel, I raise the question with the Minister of the actual implication of clause 18 (9), which provides:

> No liability attaches to a member of a panel for an act or omission by the member in good faith and in the exercise, performance or discharge, or purported exercise, performance or discharge, of powers, functions or duties under this subdivision.

I quite specifically raise that matter, because it was drawn to my attention by one of my councils. The question was asked whether this was sufficient protection for members of that special panel bearing in mind that previously there was a boundaries commission which had quite extensive powers exonerating any member of the commission from legal action. It has been suggested to me that subclause (9) contains insufficient power to protect members of the panel, should they be so elected, from individual cases against them by any member of the public or by any other member of the council. I raise that matter in the hope that the Minister might be able to respond in some way. Clause 20 (4) provides:

> When the report has been prepared to the satisfaction of the panel, the representatives of the parties must, to the satisfaction of the panel, undertake or initiate a program of—
>
> *(a)* public consultation;
>
> *(b)* consultation with the Conservation Council of South Australia Incorporated;
>
> *(c)* consultation with any organisation that represents the interests of employers or other persons involved in commerce or industry, within any area to which the proposal relates;
>
> and
>
> *(d)* consultation with any employee association that represents any officer or employee of any council affected by the proposal.

Why does the Conservation Council receive a special inclusion to the exclusion of other interested bodies? I could well envisage a council being involved in the reclamation of a road easement where the Conservation Council would have absolutely no interest whatsoever, where it might be purely an access problem. For one reason or another, someone has determined that it is essential that the Conservation Council be included. I could think of numerous other organisations and bodies that should similarly be included if, in fact, it becomes a requirement of the Act that, all other things having taken their normal course of action, final consultation should go back to the Conservation Council. Surely those matters should be raised at the appropriate time when the special panel considers evidence involving every area of interest. I would have thought that that would be the appropriate time for the Conservation Council to have its say if it wished. Why the Conservation Council is given some seemingly overriding powers in this instance is something that I cannot understand, and I ask the Minister to explain this matter.

Under a further provision, why is it necessary that consultation should occur with the Department of Recreation and Sport? Again, why should such a body be included in the final consultation process when the same opportunity for it to respond to any local government changes should have been initiated at the appropriate time? As I have said, this is a Committee Bill; it is something that will have to be dealt with clause by clause. It is an extensive Bill, comprising some 30 pages, and as such there will need to be much consultation between parties and individuals in the preparation of the appropriate amendments.

Once again, I express concern about the three-year term of office of local government. I believe, with some justification, that the most appropriate way to go would be a four-year term, with half in and half out, so that any local government vested interest, any project that a council may have undertaken, has continuity. We know full well that an entire council can be taken out at one election. Therefore, any ventures, undertakings or projects that the council might have had going at that time would be totally lost to the new incoming councillors. That is an issue that this House should consider and should present to the people at the appropriate time. I support the second reading.

Mr VENNING (Custance): As many members would be aware, I served for 10 years in local government on the District Council of Crystal Brook and, more latterly, on the council following the amalgamation of that district with the district of Redhill, to become the District Council of Crystal Brook-Redhill. My colleague the member for Fisher was also a councillor before he came into this place. It provided a very valuable foundation for a member of this House, and in some ways it ought to be compulsory for every member in this place to do their apprenticeship in that way. I found the process of going through that amalgamation a very valuable experience, particularly as it involved some aspects of this Bill applying to the Local Government Advisory Commission. In the time that I spent in local government, there were many major projects, particularly that involving council amalgamation. The amalgamation that we undertook in the Mid-North was probably the first of many that took place six or seven years ago involving quite a cordial amalgamation, while other council amalgamations were not quite so cordial.

This is why I have some concern about the abandonment of the Local Government Advisory Commission. I pay a tribute to my council of Crystal Brook-Redhill, and to those people who brought that about, particularly Councillors Pedler and Millard, the respective Chairmen of those two councils. I found the years I served on that council to be very valuable and a very good foundation for my work here. As I said, I am concerned about the Local Government Advisory Committee, which apparently will cease to exist on 1 July. Initially I was not in favour of the proposal, and nor were many of the councils in the area that I represent, but we have now heard of a committee that will take the place of the commission, and let us hope it can play the same role. We must face the fact that, basically, we have too many local government bodies in this State. There are far too many, and it will be very difficult to bring about the amalgamations that we need to have. We know what happened in relation to the Mitcham City Council. These things can get very emotive, and we need to have a vehicle in place that enables us to sit around the table and to come up with a compromise suitable to all parties.

One must always say, of course, that in the last analysis it is the electors who must have the final say. I note that that is referred to in the Bill. Section 375 of the Local

Government Act requires the council to advertise proposals for all renewals of leases, and many councils in my area have written to me expressing some concern about that. Many councils have a lot of leases every year, and in many cases the cost of advertising these would be greater than the fees collected. The Crystal Brook-Redhill council needs to lease its roads and spare areas, particularly in relation to fire control and noxious weeds. It must be able to do this without any undue hassle. As I said, the cost of doing this every year and the hassle because it has to do it by law I think is not needed.

It now appears that this will relate to all road rentals. When I first saw this proposal I thought that it was just for those lands that were up for cultivation, but it now appears that it is for all the lands. One of the councils in the area that I represent, the District Council of Saddleworth and Auburn, has written to me and indicated that it has 146 road rental leases, covering approximately 400 hectares. We can imagine what would happen if they had to individually advertise all those every year and then let tenders. It would be a lot of work, and in many ways it would certainly not be worth it.

The term of office for councillors has invoked a fair bit of comment and criticism tonight. I know that the Local Government Association is looking for a three year term, all in all out. I agree with the member for Flinders and I, too, have some concern about this. We could have a council completely cleaned out if there was a big issue running. I have faced three council elections myself and have had to fight each one of them—and I won each one—I can see what happens if there is a big issue running, and one needs to protect—

The Hon. T.H. Hemmings: I supported you on the last one.

Mr VENNING: Absolutely. I think we need to protect the ongoing council expertise, and we must have it so that the council cannot be completely cleaned out in one sweep. I think the four year term is the most attractive, the two in and two out system. The other alternative is to revert back to the system that I knew, which involved a two year term, one in one out, although that is probably not long enough. I know the association is looking for a longer period than that, but I think that four years is a long time for a volunteer to commit, particularly a person who has been steamrolled into the job, to a job in which they are trying out a new area of public life. So I do have some concern about that matter. I would plead on commonsense grounds for the continuity of the council, and initially I think I would go for the four year term proposal. I do not think the Local Government Association has a lot of problems with that.

As to the by-laws, I have no problem with that change. I have always felt that the council is the government that is closest to the people, and councils are the best bodies to judge these housekeeping-type regulations. All these regulations are different in every council area. They are all pertinent to the local situation. I cannot see the need to have ministerial or indeed governmental consent. That is an undue process that I do not think we require. I support the principle of self regulation by local government, for local government. Some of my councils want this Bill deferred, mainly because there is a lot in it and they find that it is a little bit confusing. They want more time to consider it, and in some ways I agree.

I presume that we will see another Bill later this year in the next session, when we will again be looking at local government and regulations and the constitution. That will come under scrutiny. I also expect that some aspects of this Bill could be more finetuned then, once these proposals have been out there and tried. Many councils are not acclimatised to the situation of not having a department of local government, although some of them are becoming used to that as a reality. I think we need to look at the parameters. I would also like to see councils given more flexibility in relation to the MOA award—although it now has a new name, but I cannot recall it offhand. However, in relation to councillors having to look at budgets and having to cut costs, they run into this MOA award. In many ways it is too protectionist. When we look at the budget of a council, we see that the administration costs often make up 33⅓ per cent of the total budget, and when they cannot touch it because of the MOA award it takes the flexibility away from the budgeting powers of a council. I support the second reading of the Bill and look forward to being involved in the debate during the Committee stage.

The Hon. T.H. HEMMINGS (Napier): It gives me great pleasure to follow the member for Custance in this debate. Indeed, his words should be digested by all in this place. They perhaps give some indication of the deep interest that the member for Custance has, not only in State politics but also in local government politics. He has served a distinguished term in local government, and that was reflected in the short contribution that he made tonight. Knowing the member for Custance and his reputation, I would think that his term in that sphere of government was spent not just on the traditional roads, rates, rubbish and weed control matters. They are important, of course, but I know that he shares a wider vision of what local government is all about and in relation to what this Bill, with its major reforms, is all about. I know that one must refer to members by their electorate title, but the member for Custance indeed has Venning blood flowing in his veins, and through that family there has been representation on all levels of government, whether State or local, and a concern for the community.

One might ask what that has to do with this Bill. Well, I think it has everything to do with this Bill. This is what the Bill is all about: giving all the decision making processes back to local government and to those at the grassroots level, back to that tier of government of which this country has traditionally been proud, and we will maintain that. We have heard arguments recently about whether we should change our flag and whether our sphere of influence should spread towards Asia, or back to the Old Dart, if I might put it that way. However, as long as we have people like the member for Custance, and the people who have gone before him and, hopefully, those who will follow him, I think the argument is not about whether we have a flag that represents ties with Britain or whether we go towards Asia but about whether we cherish the three forms of government that we have in this great country of ours.

That is my introduction to this Bill. If there is anything that local government has been crying out for, it is greater autonomy. It is a credit to the present executive of the Local Government Association and this Government, the Minister, the Premier and, to a certain extent, the Minister on the front bench, who so admirably steers any legislation in relation to local government successfully through this House. One wonders why the Minister on the front bench has not actually desired to hold on a permanent basis the position of Minister of Local Government, since I know of his deep interest in the subject.

If we are talking about this being the first of a series of reform Bills, one thing must be said: it has clarified the role of both State and local government and their responsibilities, and the end result is a better service to the community. When one looks around this Chamber, so many of us have

spent our apprenticeship, as it were, in local government. You, Sir, and I shared the same council. I think we both went through the same roles of councillor, alderman and mayor. With you sitting in that Chair, Sir, I would not dare say whether I was better or whether you were better than I, but we did have one common concern: in some areas there was a blurring of where the State's responsibility ended and that of local government started, or vice versa. This Bill, in effect, clarifies that.

It takes nothing away from the responsibility of local government to its own community. When this Bill was first announced by the Minister in another place, there was much debate, mainly in the media, about whether local government would run rampant, since it has the right to set different sets of charges, etc. I know that that is not the case, because to a certain extent local government is more prone to the winds of change and the whims and fancies of the electorate than we are at State level—and woe betide any local government body that tends to ignore the wishes of its ratepayers in regard to the setting of fees and charges.

I should like to talk not so much about this Bill but about what the ultimate will be when this series of reform Bills eventually wends its way through the parliamentary process. The first is the major one, because it in effect sets the framework that reflects and consolidates the new level of cooperation between local and State Government. It also looks at the current processes for change in council areas, reviewing council representation, ward boundaries, making by-laws and setting fees payable to councils. People might say, 'So what? Councils have a lot of input, anyway.'

I well remember from my days in local government that, when we were looking at ward boundaries or at the processes that were then in train for looking at any change to council areas, we reached the situation where local government would be seen as trying to take over another council area. You, Sir, and I were in that process between the councils of Elizabeth and Munno Para. We were right in the thick of the war that went on for something like seven years, and we also found that, when the State Government (of both political persuasions) tried to look at the matter and come to some agreement, it never reached a satisfactory conclusion as far as local government was concerned.

I well remember that, in 1984, I cheerfully confess, I thankfully relinquished the position of Minister of Local Government and went round the State as Minister of Housing and Construction. Some smaller councils had vehemently objected at the time to the changes that I and, subsequently, Minister Keneally had put forward to the Parliament, and when I was travelling around the State three or four years later they were saying, 'Minister Hemmings, I wish we'd listened to you.' I am not saying that what we had at that time was the answer, but at least it went some way towards reaching an amicable conclusion. Great strides have been made in those intervening years, mainly due to the Minister on the front bench, but we now have in this legislation an area where more responsibility in the vexed situation of changing council areas and ward boundaries is given to local government. That is what we are all about: recognising that local government has an important role in the affairs of this State.

It was a day of great sadness for me when the Federal Government tried to include in the referendum the right of local government to have a place in the Constitution. I was aghast at the way in which the Liberal Party in all States and at Federal level opposed that part of the referendum. We hear from members of the Liberal Party the argument that they are separate bodies at State level, not answerable to each other, and they are separate from their Federal Caucus, yet they all acted as if they were being manipulated by one person. I have never yet heard a satisfactory answer from the Liberal Party at either State or Federal level as to why it opposed that part of the referendum being placed before the people.

Fortunately, local government in this State does have a place in the Constitution, and I am very pleased that the Party to which I belong, the one that introduced it, had the ability to argue in a reasoned manner to ensure that that went through. I do not wish to say anything more on this Bill. I congratulate the Government but also congratulate local government and, in particular, the President of the Local Government Association, David Plumridge, who is not only a long-serving member of local government who has given it meritorious representation over the years but who happens to be a very good personal friend of mine.

I am not simply standing up and giving praise to David Plumridge because he is a friend of mine but because he has the kind of vision that transcends the local content or argument that the member for Heysen usually puts forward in this House, namely, that the world ends at the outskirts of Mount Barker. The honourable member probably believes that the world is flat and that if he went beyond Mount Barker he would fall off and go down into Dante's hell.

The Hon. D.C. WOTTON: On a point of order, Mr Deputy Speaker, the member for Napier is continuing to refer to a town in my electorate—Mount Barker—which has no relevance to the Bill before us.

The DEPUTY SPEAKER: I do not uphold the point of order. The Bill is a local government Bill and covers many municipalities involving a wide variety of areas. The member for Napier.

The Hon. T.H. HEMMINGS: You, Sir, always have the ability to talk to somebody else whilst listening to the debate, and I congratulate you on that. With regard to this Bill, local government is able to get outside the Flat Earth Society, of which the member for Heysen is a fee paying member, and is able to pick up its responsibilities. I congratulate the Local Government Association and the Government and urge the speedy passage of this piece of legislation through the House.

The Hon. D.C. WOTTON (Heysen): I will speak only briefly on this legislation. I am very tempted to refer to the member for Napier, but I will not. It would be better if I did not. I wish to make brief representation, first, on behalf of the Conservation Council of South Australia. I have received considerable representation from that body and know that some of the representation that has been made to my colleagues in another place has already been referred to. I am aware of the concern of the Conservation Council regarding the lack of public discussion and the process that has been adopted by the Government of coming forward with this legislation without moving through the medium of a green or white paper or indeed the preparation of draft legislation which would provide the opportunity for organisations such as the Conservation Council to have greater input.

It is recognised that the Bill is an important piece of legislation and contains changes of major public significance. The recommendations made by the Conservation Council include one to allow the Bill to lay on the table until the August session whilst the provisions and ramifications are considered through a public discussion process; or the setting up of a parliamentary select committee whose terms of reference include inquiring into legislation relating to local government and to hear public submissions to that effect; or the withdrawal of the Bill and the issuing of a

white paper containing argument for and against the need for change and a draft Bill as part of a public discussion process. I realise that an attempt to achieve that deferral has been rejected by another place.

I know of the concern of the Conservation Council about its representation not being successful. I am also aware that a further significant piece of legislation is to come before the House later in the year and the opportunity will be provided to fine tune a number of the measures introduced in this legislation, along with other matters relating to constitutional issues. I also make representation on behalf of the District Council of East Torrens, which I believe has written to all members. Unfortunately, the letter received by members came after the Opposition spokesman in another place, the Hon. Jamie Irwin, had made his representation. I will refer to this matter and read into *Hansard* the representation that has been made by that council. I am not doing it simply because the District Council of East Torrens will be a new council in my new electorate, but because I believe that it would wish the matter to be dealt with by this House. I am happy to be able to do that. The letter refers to a matter raised at a council meeting held only recently—on 21 April. The following resolution was passsed:

That the representation on the special panel be broadened to include a member of each of the affected councils and that all members of Parliament and the Local Government Association be notified as well as the Corporation of the Town of Hindmarsh and City of Mount Gambier.

The letter indicates why that resolution was passed, namely, because of the strong feeling of the council on this issue, summarised as follows:

It is appropriate that I briefly advise the points raised in the council's debate on the above resolution and to inform you that the resolution had the support of all members of council present at the meeting. While some interested parties are represented on the 'special panel', there is currently no provision for membership of the panel by any affected council. It is obvious from the proposed legislation that the 'special panel' created to deal with a proposal concerning, amongst other things, the amalgamation or alteration of the boundaries of a council area (clause 16 of the Bill), will perform a number of key functions, not the least of which is the preparation of a report which will address a number of issues of local importance (clause 20). The absence of direct membership fails to take into account the likely importance of any 'proposal' to affected councils.

In the same way that members of Parliament are nominated to participate in select committees and *ad hoc* committees dealing with issues of importance to the Parliament and people of South Australia, so too should the Bill permit each council to nominate a member of the council to be a member of the 'special panel'. The panel will then have the benefit of local knowledge and participation, and councils can be assured of open and frank consultation and communication. It was also suggested in the course of the council's debate that an amendment of this sort may overcome some of the criticism concerning lack of consultation with the member councils which make up the Local Government Association.

Councillors are properly elected representatives of a local community and should not be overlooked when reviewing the local government of that community. It is important to note that council suggest that representative be specifically a member of council which is defined in the Local Government Act as being a mayor or councillor.

I support that representation very strongly. The resolution passed is very valid. It is important that this place be given the opportunity to recognise the resolution passed by the full District Council of East Torrens and I hope that at the appropriate time action can be taken to facilitate the wishes of the District Council of East Torrens. It is an important piece of legislation. I recognise again the importance of a further Bill to be brought before the House later in the year and have pleasure in supporting the second reading.

Mr HOLLOWAY (Mitchell): I would like to make a few brief comments in support of the Bill, which is an important first step in the development of local government as a genuine third tier of government, and which is in furtherance of the memorandum of understanding reached between the Premier and the Local Government Association in 1990. I wish to address what I think is the most important provision of the Bill, and it relates to the amalgamation of councils and the alteration of council boundaries. That was a matter of great interest to me two or three years ago before my election to this place when changes to the Mitcham council boundaries were proposed.

I remember attending some of the many public meetings on that issue. When the matter was finally close to resolution, I commented that if, as a result of all the pain suffered through the Mitcham council episode, we did nothing else, we should at least learn from that experience and make changes to ensure that such a situation did not happen again. That is exactly what we see in this Bill, and I welcome it.

One of the reasons for the Mitcham council dispute related to the petition signed by about 4 000 people in the Mitcham Hills area which initiated the proposal to alter the boundaries. That, for a start, indicates some of the problems involved in proposals for boundary changes. It was clear that a number of people who signed the petition did not look closely, or closely enough, at what they were signing: I guess it is the habit of some people to sign anything that is put in front of them. That sends out warning signals about the value of such petitions. It also raises the question, which is addressed in this Bill, of what should be a genuine threshold before we should take notice of changes proposed by petition.

Another issue that the Mitcham council episode highlighted was the problem of apathy. Only a small number of submissions were made. Certainly, the council did have some consultation on the issue. An article in the local council newsletter advised that there were proposals for boundary changes, but the vast majority of people in the Mitcham council area took little if any notice, and that is what really led to the problem. People became interested only when the Local Government Advisory Commission finally made its report on Mitcham, and that report was accepted, as was the tradition in previous cases before the commission. Suddenly people decided that they did not like the result, and that highlighted problems with those procedures.

The LGAC, which had the job of looking at boundary changes, is to be abolished, and the people who were involved in the Mitcham council episode would probably not greatly mourn its passing, but one should put on the record—as did the Minister in her second reading explanation—that, of 76 proposals before the commission, 44 led to change. Most of those original proposals for change applied to country areas, and they proceeded successfully. It was only when the issue came up in the metropolitan area that problems arose. It was unfortunate that a highly controversial issue—the Mitcham case—was the first city proposal before the LGAC. It proved difficult to resolve the problems in Mitcham when it was discovered that the decision resulting from the due processes was highly unpopular.

It was difficult to unwind the decision and I had much sympathy for the Minister and the position in which she was put. Certainly, it was not her fault. She had been Minister for only two weeks when that issue arose, and she was left in a position where the provisions of the Act left her with little room to manoeuvre. That is the situation we must correct, and it is corrected by this Bill.

The Mitcham case spelt the writing on the wall for council amalgamations under the old Act. It certainly indicated that

public wishes need to be considered more clearly. In many ways, the Mitcham case highlighted the issue, because it was obvious, from subsequent events, that there was almost unanimous opposition to the changes put forward by the LGAC. It will be much more difficult to resolve issues where the opposition is less obvious: in other words, where the community is more evenly divided over what should happen in respect of council boundary changes.

The problem addressed in this Bill is how one fits a formula into that case. The Bill contains lengthy provisions to indicate what should happen where we do not get a large turnout if a poll on boundary changes is held. What happens, for example, if only a small number of people turn out? What happens if the number who turn out is large but if the poll is fairly evenly balanced? This Bill embraces a number of issues. I am sure that, in Committee, there will be a lot of debate about some of these measures. For example, what threshold should we have for initiating proposals when they come from the public, and what sort of consultation should we have to make sure that people are fully informed? As I say, all these issues were raised in the Mitcham council boundaries matter, and I am pleased that they will finally be put to rest so that all the pain we suffered about two years ago was not in vain.

Perhaps one unfortunate consequence is that the opportunity for council boundary changes will be somewhat reduced. I have no doubt that the overall effect of the changes now before us will be that the procedures will be much more conservative in the sense that they will tend to restrict change, but the most important thing is that the wishes of the people should prevail. That, after all, is the most important factor. With those brief words, I welcome the Bill before us today.

Dr ARMITAGE (Adelaide): I enter this debate as a keen supporter of local government and as someone who, through my family, has a long history of involvement in local government. I am keenly aware of what effect local government can have on people's lives. My grandfather was involved with Kensington and Norwood council, and more recently a number of relatives by marriage have been involved in other councils. I am always impressed by how much they know about their local community and, as I indicated previously, what effect they can have on that local community.

In the electorate of Adelaide I am lucky, as I look around and see some councils which are not in my view or in the view of other people 'on top' of matters, as are the Adelaide City Council and the Prospect and Walkerville councils. I have regular meetings with the mayors and the CEOs of those councils, and those meetings are valuable in my being informed of local events, helping me to ascertain exactly what can make life better on a routine basis for their constituents, hence for mine.

I wish to address briefly the matter of amalgamations. I note that council amalgamations will be acceptable after a poll of residents has occurred, and I fully support that. Indeed, not long before the last State election, I indicated, particularly in respect of one of the council areas in the electorate of Adelaide, that I was in favour of a poll of residents, and it had a major effect on people's reactions to me. I think that that was because people feel that local government is so involved in their life that they want to have a direct say in whether their council will be big, small or in between.

I do not believe it is necessary for councils to amalgamate to achieve efficiencies. As an example, I point to a program known as SWAP, where a council from outside my electorate (St Peters) and two of the three councils within my electorate (Walkerville and Prospect) amalgamated to provide library services. I believe that SWAP is a shining example of what can be done with a bit of lateral thinking.

These three councils have gained the advantages of economies of scale, and that includes an increased borrowing capacity and improved ease of access to a greater number of books for residents rather than their having to go to the State Library or wherever. It also provides the possibility of efficiencies in relation to the sharing of staff positions, such as that of librarian and so on. SWAP provides a classic example of what can be done without amalgamation if councils are prepared to admit that there are advantages in sharing some of their power.

A lot of opportunities for efficiency at every level of government are blocked because people do not want to release some of their power. If one shares authority, one shares power. I take my hat off to SWAP because it not only produces all the advantages of economies of scale but works for the residents of those council areas. I applaud that.

On the same theme—that, to be efficient, it is not necessary for councils to amalgamate—the three councils in my immediate bailiwick have indicated to me that, if the proposed 40 km/h per hour speed zone becomes law and if they are allowed to utilise such a zone in their area, they may purchase speed cameras (or whatever equipment is necessary) or provide training for their officers who may conduct this program so as to achieve a further economy of scale. I think that that is a marvellous idea. If a council is able to achieve its ends whilst being as efficient as possible in the expenditure of its dollar, so much the better, because that still allows each council to relate directly to the concerns of the individuals whom it represents.

In my view, that is what separates local government from the State Government and certainly from the Federal Government—that is, the immediacy of the concern of the representatives of that area. Local government understands the absolute milieu and is able to react immediately. Whilst amalgamations may produce efficiencies, that immediate contact with the local people is sometimes sacrificed. However, if that is what the people want and if that is supported at a poll, I would clearly be in favour of it.

I wish to draw to the attention of the House a situation that occurred recently regarding an Adelaide City Council by-election for two aldermanic positions. I flag an interest in the concept of a deposit for local government elections, as required of those standing for State Parliament. It is my view that there is a potential for someone to nominate for council election frivolously. I fully support anyone's right to stand for election, but the downside of someone standing frivolously for election is that it is an expensive business. The ratepayers suffer, because they are expected to pay for the inherent costs of by-elections, such as the hiring of halls, paying of staff, advertising and so on.

I believe it is a concept worth looking at. Indeed, I have corresponded with the Local Government Association in this regard, and I understand that it has looked at this concept as well. I believe it ought to be a signal to people who are standing for election to what is an important position that society regards it as an important commitment, thus there should be a requirement that the person standing for election indicate a commitment by placing a deposit with the required body.

Just as in relation to people standing for State Parliament, perhaps a percentage of the formal votes cast might determine whether or not one receives the deposit back. Looking at a number of recent by-elections, I do not believe that a figure of 4 or 5 per cent that members of Parliament have

to achieve is at all unreasonable. In some elections where very few votes are cast it is not an undue imposition, I believe, to expect that people will get 10 votes. That would indicate that they are not a frivolous component of the election process.

I now will address the formation, alteration or abolition of wards and the proposal of the Adelaide City Council to alter in number some of its wards and make them more reflective of the democratic process. It is quite clear that there are great discrepancies in terms of the people who are eligible to vote for members of the Adelaide City Council, and I clearly support that alteration. I express not only disappointment but also amazement that businesses in the Adelaide City Council area choose not to exercise their democratic preference in the ballot box. I find this particularly distressing given that there are so many challenges to various gangs of eleven, majorities or whatever way one wishes to express them as power bases within the Adelaide City Council area. It is my view that, if people wish to vote, they can express a view, and I am disappointed that more businesses do not do so. I would certainly support the Adelaide City Council ward changes, thereby making the wards more democratic.

I admire local government. I believe it is very much the grass roots component, having an excellent general knowledge of what is going on in all the local communities which it represents. I sometimes think that some of the highfalutin stuff with which we become involved may be of great interest to us and to legal studies personnel but, if one's gutters do not work, or if one's children are at risk because of large numbers of speeding cars on the roads, there is a much greater effect on the immediate lifestyle of families, and that is what local government does and does so well. I am very pleased to support the thrust of this Bill, and in doing so I commend the three councils in my electorate.

The Hon. M.D. RANN (Minister of Employment and Further Education): I regard it as an immense privilege to be acting as steward for what I consider one of the major Bills that we have confronted in this Parliament during the time since I have been elected, because in this Bill we are seeing fundamental reforms that follow on from the memorandum of understanding signed by the Premier and the President of the Local Government Association back in 1990. Of course, this Bill is a major step towards a legislative framework, which reflects and consolidates a new level of cooperation between local government and the State Government. Whilst there will be debate in the Committee stage about the replacement for the Local Government Advisory Commission, whilst there will be debate about matters concerning the review of council membership, the setting of fees and the by-law-making process, when we look at the substance of this Bill we are basically seeing a recognition of the rightful place of local government in terms of being more autonomous and also a recognition of the partnership of local and State Government, and that is the way it should be.

It is important to recognise that these reforms include the removal of a number of requirements from ministerial notification and approval involving the sort of big brother approach that has existed in local government relations for many years. It gives the Local Government Association renewed status in terms of handling the multitude of issues that confront local government. Underpinning all this is that principle of greater self-management. Also, it is important to recognise the contribution that has been made by a number of members of this House in the debate so far. That reflects the fact that many members of this Parliament have come up through the ranks of local government as mayors, councillors and aldermen. Unfortunately, I did not have that opportunity, although my sister-in-law is an alderman with the Adelaide City Council and, of course, my grandfather worked for decades as a council worker for the Lewisham County Council in Britain in the garbage disposal area.

It is very important that we recognise the importance of this Bill. It is important that we try to reach a consensus among ourselves because, as the members for Light and Mitcham have mentioned, this is not a Bill about Party politics: it is a Bill about streamlining the system and ensuring the recognition of local government in its rightful place in the three tiers of government.

I know that there are some concerns about the way that wards will be established, whether we use the Electoral Commissioner or whether we use other methods for implementing changes in terms of local government elections. I am sure that those concerns will be resolved during the Committee stage of the Bill. Certainly, as the Minister in this House representing the Minister for Local Government Relations, I intend to talk with members to see whether we can reach some consensus on a number of the major points, because I know all of us have the interests of local government at heart.

Bill read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

ASSOCIATIONS INCORPORATION (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 18 March. Page 3328.)

Mr OSWALD (Morphett): The Opposition supports this Bill, but it will propose a couple of amendments. The Associations Incorporation Act was enacted in 1985. It followed a substantial review of the law relating to the incorporation of associations. It may be remembered that prior to this Bill being considered the Government had introduced the Incorporated Associations Bill, which was highly controversial because of the burden it placed upon all associations from small local social or sporting clubs to the big operations.

The 1985 legislation was generally accepted to be reasonable. It made a distinction between the small associations and the large by placing strict audit requirements upon those associations whose gross receipts exceeded $100 000. 'Gross receipts' was defined to mean the total amount of the receipts of the association, excluding subscriptions, gifts, donations, devices or bequests or the proceeds from the realisation of capital. That seems to have worked reasonably well, except that the Government asserts that some associations receiving Government grants have been arguing that these grants are excluded from the calculation of gross receipts.

By this Bill the Government seeks to include all gifts, including Government grants. When this Bill came into the other place, it was debated at great length by all Parties concerned, and a considerable number of amendments were incorporated in the Bill. There are further amendments, which I gather the Government will move in this House by agreement, but in the interests of brevity I will not canvass them. I will refer briefly to eight sections of the Bill, and I

am happy to note for the record that many of our concerns have been realised in the Upper House.

For the benefit of *Hansard* readers, I commend the eight-page speech made on this Bill by the Hon. Trevor Griffin in another place, because it does give a comprehensive summary of our concerns and, indeed, of those numerous amendments that have been moved. The Bill makes a number of technical changes (and I am pleased to say that those changes have been incorporated) as well as statute revision amendments, and deals with approximately eight issues of substance. It provides, first, that notwithstanding any other provision in the constitution or rules of an association the rules may be altered only by a special resolution of a general meeting of members or, if there are no members, of the committee of management. A special resolution is a resolution passed at a duly convened meeting of members where 21 days written notice has been given and not less than three-quarters of the total number of members who vote approve the resolution or, if there are no members, then passed by not less than three-quarters of the members of the committee voting at a meeting where 21 days written notice has been given.

Secondly, incorporated associations claiming to be emanations of the Crown will be bound. Incorporated associations will be permitted to enter into a scheme of arrangement or compromise with their creditors; the account and audit provisions have been strengthened considerably; a person who is an auditor of the association will not be able to be a member of the committee of management; invitations to non-members to deposit money with an association have been tightened; provisions dealing with the securing of pecuniary profits to members of an association have been clarified and the provisions dealing with oppression of members have been widened to include oppression of former members of an association; and penalties have been increased.

As to the technical changes as proposed in the other place, suitable changes and amendments were incorporated. For readers of *Hansard*, I refer to the speech made by the Hon. K.T. Griffin in the other place which went through the amendments. The speech covers some eight pages, and so I will not delay the Lower House tonight by going through all the details, particularly as the Government and the Upper House have agreed to those changes. There are just two measures that I want to quickly refer to.

In the area of audit provisions, the present Act and the amendments require accounts to be audited by a registered company auditor, a firm of registered company auditors, a person who is a member of the Australian Society of Certified Practising Accountants or the Institute of Chartered Accountants in Australia or such other person as may be approved by the Commissioner as an auditor. The National Institute of Accountants, another professional body, makes the point that members of the National Institute of Accountants who hold a current public practice certificate should be authorised to conduct an audit.

The Opposition agrees with that proposition and would have preferred that the Government had picked it up and addressed it—but unfortunately that matter has not yet been resolved. The National Institute of Accountants also proposed, in representations to the Opposition, that those who are members of the two accounting bodies should be required to hold a current public practice certificate before being eligible to audit the accounts of associations, because the current public practice certificate requires a person holding such a certificate to also carry professional indemnity insurance. This matter was raised in debate in the other place. As I said, it has not been resolved, although it has been addressed. I trust that during the period between debate in the other place and when the matter comes before this Chamber the Government will consider the matter. We might see the matter addressed in amendments being proposed by the Minister.

I now refer to the two amendments that I will put, on behalf of the Opposition, in Committee. I shall briefly canvass the amendments now. The first of my amendments relates to clause 15 of the Bill and to proposed new section 23a (1) *(c) (v)*, and it seeks to delete from that provision the words 'and procedure at'. That provision presently reads 'the calling of and procedure at general meetings'. In brief, the Opposition believes that, when a small association sets up its objects, the rules concerning calling a general meeting should be defined and that indeed it is not necessary to set down the minute detail of how proceedings should be run. In other words, the particularity and certainty of running meetings is a matter that could be covered by the by-laws of the association and we do not need to actually spell out to the smaller associations how that should be done. My second amendment refers to clause 15, after line 10. In fact, I may wait until debate in Committee to explain this in more detail. It refers to compensation.

As I said initially, the Opposition supports the Bill. It spent a lot of time in the other place and there is a volume of material in *Hansard* for members and the public to read as regards the content of the Bill and the rationale behind the decision to bring in the many dozens of amendments. I believe that the Bill is now far better, and if we get the cooperation of the Government for the two amendments that I propose to move the Opposition will be satisfied. Also, I give a commitment that the amendments being proposed by the Government, which were agreed to by the other place, will also be given a speedy passage during the Committee stage in this place.

The Hon. G.J. CRAFTER (Minister of Education): I thank the Opposition for its indication of support for this Bill. I note the comments that were made by the member for Morphett in his second reading speech. This is quite an important measure that we have before us, because so much of the activity that occurs within our society is regulated by the Associations Incorporation Act and it provides for the wellbeing of the organisation of so many charitable and other organisations which bring great benefits to our community in many forms and which deliver services that are important to the community. This relates particularly to the many people who have become dependent on those services which allow them access to an orderly and dignified daily existence.

The Bill comes before us in an amended form. I foreshadow that there will be further amendments moved by the Government as a result of undertakings given by the Attorney-General in another place, as a result of the debate that occurred there and the debate that occurred in respect of a number of amendments. Also, during the interregnum an opportunity has been provided for some fresh drafting approaches to improve the measure before us. None of these matters are controversial. I note that the member for Morphett will propose two amendments on behalf of the Opposition.

The amendments to this Bill have come about as a result of the experience that has developed in respect of the current application of the legislation since 1985, when a Bill in this form came into effect. In that period a number of changes and experiences have occurred in the community with respect to this legislation and these require the amendments presently before us. There has been public discussion about these matters over quite a long period of time. The public

was invited to make submissions, and the view of persons and organisations to whom drafts of the Bill were forwarded also provided very valuable advice to Government on these matters. Also, advice has come from other members of Parliament where organisations and individuals have seen it as being appropriate to provide information in that way.

So the matter has been the subject of quite substantial discussion and debate. We can arrive now at the best possible statutory instrument that can be created at this current time. The Act deals with many and varied situations that affect the daily lives of people and organisations in our community and therefore we need to be mindful of changes from time to item. Clearly, this sort of legislation will come back before Parliament on a regular basis. There is no argument that it is in the public interest that there must be adequate regulation of the incorporated associations. At the same time, the law, of course, should not impose on small, charitable sporting clubs and organisations the same obligations that are imposed on the large organisations and associations that exist in our community, whose operations are in some cases comparable to those of public companies.

This distinction, which is provided for in the principal Act, has been preserved in the Bill. Although the principal Act produced such significant reforms, it was recognised that amendments would be required in light of experience in the intervening years. That is why these matters have come before the Parliament at this time. I acknowledge the very long and detailed debate that occurred in the other place, which dealt with the main concerns that were expressed by the Opposition parties in the other place. So, the Bill comes to us in a form that is digestible and acceptable to the Parliament.

Bill read a second time.

In Committee.

Clauses 1 to 12 passed.

Clause 13—'Amalgamation.'

The Hon. G.J. CRAFTER: I move:

Page 7—
Line 20—Leave out 'and'.
After line 31, insert the following:
and
(c) by inserting after subsection (8) the following subsection:
(9) Where property vests by virtue of this section in an association, the vesting of the property, and any instrument evidencing or giving effect to that vesting, are exempt from stamp duty.

These amendments are intended to ensure that no stamp duty becomes payable when the property of amalgamating associations is vested as part of the amalgamation. A concession of this kind was previously provided in relation to building societies and credit unions, so it seems appropriate also to apply it in these circumstances.

Amendments carried; clause as amended passed.

Clause 14 passed

Clause 15—'Contents of rules of an incorporated association.'

Mr OSWALD: I move:

Page 8, line 11—Leave out 'and procedure at'.

One matter that has been dealt with is this area of sufficient particularity and certainty referred to in paragraph *(c)*. This relates to the procedure for calling a meeting. It seems to the Opposition that the calling of a general meeting is the appropriate obligation and that the procedure can be left at large, remembering that small organisations, which have a different approach from larger organisations, can be treated differently. I believe that it is a bit of an imposition specifically to include the procedure having to be set out with particularity.

We believe that this can be provided in the by-laws of association. I imagine that all of us have in our electorates small organisations that do not need to be bound by particularity clauses. By their rules they can set down the calling of a meeting, but it is going a little too far, in the Opposition's view, to require them to have this other detail provided in their objectives. I believe that a simple by-law would cover it.

Mr GROOM: I do not propose to support this amendment. It is necessary, whether an organisation is large or small, to ensure that there are procedural guidelines for members, so that the executive or the committee of management of those organisations does not become autocratic in its procedures, and that members do know that certain steps must be undertaken. My experience tends to be that the problem is often with the smaller organisations: that where there are no procedural guides the risk is accelerated, with the smaller organisations being somewhat autocratic.

In the main, if you are an incorporated association, the fact of incorporation, whether you are large or small, means that there should be equality and uniformity across the board. It seems to me that, if you take out the procedure in clause 15, you leave members with some degree of uncertainty with regard to the steps that need to be taken at meetings. Not all that much turns on it. It is really a matter of preference, but I come down on the side that it is preferable, whether organisations are large or small, to ensure that not only the calling of meetings but also the procedure to be followed at the general meeting is outlined in the rules. Quite often, if there is a contentious issue, members will want to ascertain what the procedure is, to determine whether they should move, oppose or vote on a measure.

The Hon. G.J. CRAFTER: The Government opposes this amendment. I note that it was also moved in another place and opposed there by the Hon. Mr Gilfillan as well as by the Government. The fears expressed by the honourable member are not covered in the way in which he intends by trying to draft an instrument of this type. As the member for Hartley has just stated, the honourable member might be defeating the general aim of helping small organisations, particularly, by moving the amendment in this way.

It is a complex and difficult area, often resulting from the personalities of the individual office bearers or members of the association, bowls clubs, golf clubs and so on, and the provisions of this measure before us, I believe, are appropriate. However, there are discretions vested in the Commissioner that might alleviate situations to which the member for Morphett and the member for Hartley have referred. I also point out that this clause operates only in respect of rules submitted for registration after the commencement of this amending Act.

Amendment negatived; clause passed.

Clauses 16 to 20 passed.

Clause 21—'Accounts to be kept.'

The Hon. G.J. CRAFTER: I move:

Page 10—
Line 10— Leave out 'Section 35 of the principal Act is' and substitute 'Sections 34 and 35 of the principal Act are'.
Line 20—Leave out 'as soon as practicable'.
Page 11, after line 7— Insert subclause as follows:
(2a) A prescribed association will not be taken to have complied with subsection (2) unless the accounts prepared for a financial year are submitted to the auditor in sufficient time to enable the auditor to audit the accounts and furnish a report in respect of the accounts in accordance with section 37(3).

The first amendment is consequential on the use of the definition of a prescribed association which was initiated by amendments in the other place. The remaining amendments to this clause are also of a drafting nature and are designed to ensure that the obligation to prepare and submit accounts to a prescribed association's auditor must be discharged at a time that will allow the auditor to comply with

the provisions of section 37 of the Act which relate to auditing and auditors' reports.

Amendments carried; clause as amended passed.

Clause 22—'Lodgment of periodic returns.'

The Hon. G.J. CRAFTER: I move:

Page 12, line 12—leave out 'an incorporated' and substitute 'a prescribed'.

This amendment embraces four amendments of a drafting nature only and is consequential on the division of incorporated associations into prescribed associations and others.

Amendment carried; clause as amended passed.

Clause 23—'Substitution of s.37.'

The Hon. G.J. CRAFTER: I move:

Page 12, line 32—Leave out 'an incorporated' and substitute 'a prescribed'.

Page 13, line 32—Leave out 'an incorporated' and substitute 'a prescribed'.

Page 14—

Line 2—Leave out 'an incorporated' and substitute 'a prescribed'.

Line 6—Leave out 'an incorporated' and substitute 'a prescribed'.

A similar explanation applies to these amendments.

Amendments carried; clause as amended passed.

Clause 24 passed.

Clause 25—'Insertion of new divisions.'

The Hon. G.J. CRAFTER: I move:

Page 15, line 8—After 'liability' insert 'to the association'.

This amendment is moved as a result of an undertaking given by the Attorney-General in another place to re-examine this clause before it was dealt with in this place. Concern was expressed in another place about the ability of associations, particularly smaller ones, to exempt or indemnify members of their governing bodies from liabilities to the public that they might incur in the course of duties which are usually performed on a voluntary basis. The amendment is designed to ensure that proposed new section 39b operates to prevent only exemptions or indemnities in respect of liability that a member may incur to the association as, for example, through a breach of duty provided for in proposed new section 39a. Whilst it is obvious that an exemption or indemnity granted in relation to a duty owed to the association would defeat the point of imposing such a duty, it is now considered that there is no such obvious case for preventing indemnities or exemption in relation to liabilities to others.

Amendment carried; clause as amended passed.

Clause 26 passed.

Clause 27—'Substitution of s.41.'

Mr OSWALD: I move:

Page 18, after line 10—Insert the following section:

Compensation

41aa. (1) The Minister may pay compensation to any association that has suffered loss in consequence of the incorporation of that association being obtained by mistake of the commission.

(2) An application for compensation under this section—

(a) must be in writing;

(b) must be made in a manner and form determined by the Minister;

and

(c) must be supported by such evidence as the Minister may require.

It has always been the view of the Opposition that, where an incorporation has been made as a result of a mistake by the commission, there ought to be some provision for compensation. We are tempted to say that the Minister must pay compensation but recognise that this would make it a money clause and that this is perhaps not the appropriate venue. It certainly would require some appropriation. With this amendment we would like to put on record and in the legislation that, if incorporation is obtained by mistake of the commission, an option for compensation is available. It is still a discretionary matter for the Minister, but at least there is an avenue for application. It is quite reasonable under the circumstances.

I commend the amendment to the Committee. Some members have some difficulty with the fact that the Government could be held liable, but that is what democracy is all about. If the Government or an agency of Government has made a genuine mistake, some recourse should be open to the aggrieved party, or aggrieved incorporated body in this case, to at least have an opportunity to obtain compensation. I do not accept the fact that because it is Government the incorporated body should not be allowed recourse to compensation, and I commend the amendment to the Committee.

Mr GROOM: As a former practitioner in this field I must oppose the proposed new clause. I do so on cogent grounds, namely, that, if one applies for incorporation and an innocent mistake is made, it is part and parcel of the incorporation process. If it is more serious and the mistake is not innocent and at a much higher level, one should rely on the general law with respect to whether one has suffered loss and whether there is a right of action in common law with regard to any loss that may be suffered by the promoters of an incorporated body. I would not like to see a provision of this nature in legislation. It does not distinguish between innocent or deliberate mistake or indeed a conspiracy. I do not think that the Government should have to pay compensation by virtue of the imposition of statute.

Any promoter should rely on the general law, and it is rather difficult to see the extent of any loss suffered. My experience as a practitioner has been the reverse side of the coin, where incorporated bodies have been deregistered by mistake of the commission and, in those circumstances, I know that the Minister through the agency department remedies the mistake by paying the cost of reincorporating the body and any consequential out-of-pocket expenses. It is better to leave it as a matter of informality for the Government agency itself. People have a right to complain to members of Parliament or, if it is more than an innocent mistake, they have a right to recourse through the general law. It is not wise to insert in statutory form in this way a provision that the Minister has to pay compensation where the incorporation results from an innocent mistake. If it is a deliberate mistake we should look at the general law but, as a matter of principle, we ought not be inserting compensation clauses into statutes.

The Hon. G.J. CRAFTER: The Government also opposes the amendment, as it does not add anything to the existing position. The provision is discretionary and states that the Minister may pay compensation, which is the situation now. The Government has the ability to make *ex gratia* payments in appropriate cases, as the member for Hartley has indicated. There is precedent for that occurring. This matter was also debated in another place and rejected by the Democrats as well as the Government.

Amendment negatived.

The Hon. G.J. CRAFTER: I move:

Page 18, after line 25—Insert subclause as follows:

(2) Where a provision of the Corporations Law referred to in subsection (1) creates an offence, the penalty set out in the schedule in relation to that provision is to apply as the maximum penalty for contravention of the provision as applied by subsection (1).

This amendment is also being moved as a result of an undertaking by the Attorney-General in the other place. It inserts a new subsection (2) into the proposed new section 41b. Section 41b applies certain sections of the Corporations Law (with such modifications as may be necessary) as if an

incorporated association were a company and as if those sections were incorporated into this Act. Proposed new subsection (2) provides that, where a provision of the Corporations Law referred to in subsection (1) creates an offence, the penalty set out in the schedule in relation to that provision is to apply as the maximum penalty for contravention of the provision as applied by subsection (1). It is considered that penalties for offences against the Act should be fixed in the Act and not be left to the regulations or, for that matter, to be determined by reference to the Corporations Law.

Amendment carried; clause as amended passed.

Clause 28—'Power of commission to require transfer of activities.'

The Hon. G.J. CRAFTER: I move:

Page 18, line 27—leave out 'by striking out from subsection (3) "On the publication of an order" and substituting "On the date specified in the order" and substitute the following:

(a) by striking out from subsection (3) 'On the publication of an order' and substituting 'On the date specified in the order';

and

(b) by inserting after subsection (4) the following subsection:

(5) The vesting of property in a body corporate by virtue of this section, and any instrument evidencing or giving effect to that vesting, are exempt from stamp duty.

This amendment is similar to the amendment to clause 13 and is intended to ensure that no stamp duty becomes payable when the property of an incorporated association is vested in a body incorporated under another Act.

Amendment carried; clause as amended passed.

Clauses 29 to 34 passed.

New clause 34a—'Repeal of section 52.'

The Hon. G.J. CRAFTER: I move:

Page 21, after line 20—insert new clause as follows:

Repeal of s. 52

34a. Section 52 of the principal Act is repealed.

The amendment is of a drafting nature only and is consequential on the insertion of proposed new section 39c.

New clause inserted.

Clauses 35 to 46 passed.

New clause 47—'Insertion of schedule.'

The Hon. G.J. CRAFTER: I move:

Page 31, after line 5—insert new clause as follows:

Insertion of schedule

47. The schedule set out in schedule 3 of this Act is inserted after section 67 of the principal Act.

The insertion of the schedule is linked to the amendment to clause 27 and sets out the penalties for the offences against the Corporations Law that are applied by proposed new section 41b.

New clause inserted.

Schedules and title passed.

Bill read a third time and passed.

BUILDING SOCIETIES (SHARE CAPITAL) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 25 March. Page 3623.)

Mr S.J. BAKER (Deputy Leader of the Opposition): The Opposition supports the Bill and I support it with some enthusiasm. The Co-operative Building Society was the first institution that loaned me money in order to buy a house back in about 1973. It was a growing building society and it had terms and conditions that were satisfactory. The society was very dynamic and used realistic valuations at a time when the banks were requiring extraordinarily large deposits and had this determination to ensure that the valuation of a property was as low as possible, and so we were being squeezed at both ends.

The building societies in South Australia have made a wonderful contribution to housing. In fact, they have made an essential contribution. Not only have they added the dimension of competition but they have provided the opportunity for people to obtain housing. They also gave the banks a nudge. Let me reflect on the '60s and '70s and the conservatism that was displayed by our banks. It may have been in their best interests, but it was certainly not in the best interests of South Australians, and the problems that new home buyers faced were quite extraordinary.

In my situation the banks would have demanded (and all the banks were the same) that I not only take out a loan for a sum that was far less than I desired, but they would then force one into a personal loan at an interest rate 2 per cent or 3 per cent higher than the market rate. The Co-operative Building Society offered rates that were ¾ of a per cent higher than the State Bank, the Bank of New South Wales (Westpac) as it then was, the Bank of Adelaide and so on. I talked to them all. The banks said, 'We want a large deposit. We want to give you a small loan and you can pick up the rest through a personal loan.' Probably the hardest part was that none of the banks would deal with people unless they had a deposit in the first place, whereas the Co-operative Building Society, whilst it had preference for members, did not stick to a rigid rule so far as eligibility for a housing loan was concerned. I wish to pay tribute to the Co-operative Building Society, which originally provided housing finance to me, and the other building societies that serviced the South Australian housing market.

Times have changed, and changed quite dramatically in recent years. Small building societies cannot survive in today's capital market. Competition means that no niches can be naturally developed unless there is a tied relationship, such as in relation to credit unions which represent the police or teachers, and other like organisations. Nowadays there is not the same opportunity for building societies to fill a great need, as they did during the 1960s, 1970s and 1980s.

The capital market has become far more dynamic and has put constraints on the way in which businesses, banks and financial institutions, such as building societies and credit unions, can operate. One of the difficulties faced by building societies now is that, on almost the same terms as banks, they have to provide an asset base which will allow them to sustain losses and service a reasonably wide market so as to minimise the unit cost of administering the loans that they provide.

This Bill amends the Building Societies Act to enable the Co-operative Hindmarsh Building Society to access the share market. It should be noted that, when the Co-op combined with the Hindmarsh Building Society, the asset backing of the combined organisation fell from 12 per cent to 8 per cent. The Commonwealth is now insisting that the capital adequacy ratio of that organisation be increased, and the only way it can do that is by access to the share market for the issue of notes and shares.

Members of this House would be aware that the shares provided by building societies have traditionally been of the exempt type, thereby allowing people to invest in building societies. It is almost like a unit contribution from which one receives a return, and that has been the way in which building societies have raised capital. That situation is no longer tenable. There is a need for the Co-op Hindmarsh to gain access to greater capital to meet Federal requirements, and this Bill removes the constraint imposed by

section 47 of the Building Societies Act. It is an important step forward.

I know that building societies have gone through a difficult period, and that difficult period has meant that there have been amalgamations and absorptions, particularly over the past five years. As I pointed out previously, that is a product of the changing market—the need for a competitive building society which competes not only with other building societies but with banks. The Opposition believes it is important that the Co-op Hindmarsh Building Society should have access to the share market in order to return perhaps to the 12 per cent capital adequacy ratio that previously existed, and that will require a considerable increase in share capital.

I have been informed that currently the share capital amounts to some $28 million, and that needs to be increased significantly in order for the building society not only to comply with Federal directions but also to have the ability to flourish in competition with banks and credit unions. It should also be noted that the amalgamation of the Co-op Hindmarsh places that building society very close to the top of the list as far as building societies with combined assets are concerned. If the St George Building Society in New South Wales is converted to a bank (and it has applied for a licence), the Co-op will become the largest building society in Australia.

That is something we can be proud of. South Australians would remember the contribution made by building societies, particuarly the Co-op, over a long period. We would not wish to impede their future: we would wish to give them every possibility to grow bigger and better and meet the demands that are still unmet in the marketplace. Building societies have a number of innovative financing schemes. Members would recall that some of the housing assistance provided by the Commonwealth over a period of time has led to schemes being set up in building societies in preference to banks. It is an important market and a very important organisation is involved. The Opposition supports the change proposed in the Bill.

The Hon. G.J. CRAFTER (Minister of Education): I thank the Opposition for its support of this Bill. As the Deputy Leader indicated, this amendment has been sought by the Co-op Hindmarsh Building Society and there is some urgency about its passage through this House and the Parliament so that the building society can get on with raising capital for its purposes and to meet new statutory requirements. I take this opportunity in the second reading debate to record the appreciation of the Government for the role that building societies have played in the financial institutions in this State over the years, particularly in the provision of housing, often low cost affordable housing, and in the provision of welfare housing as well.

An association was created by the building societies, and the executive officer of that association has been particularly helpful in working with the Government in the development of policies that provided a very welcome inflow of investment that otherwise would not be available for these types of projects. I was a founding contributor to the Hybernian Building Society many years ago; it has now been consumed by other building societies. At that time, some 20 years ago, building societies were attractive to many investors because, as opposed to banks, they would lend up to 90 per cent of the valuation of a property, and that meant that the deposit gap was much smaller.

In those days banks were much more interested in lending for new housing, and building societies were more prepared to lend for existing housing. For a variety of reasons many people were attracted towards building societies, and they have served the people of this State very well over the years. They have been a conservatively managed group of enterprises, closely linked to the community, often to specific groups of people in our community. As the Deputy Leader indicated, they have provided an element to the marketplace which has been very valuable in bringing out competition and better deals for consumers in this area.

There was internecine war at one stage between the banks and the building societies when building societies were becoming effective in the marketplace. I recall seeing posters outside one bank in opposition to the marketing arm of a building society indicating that there is nothing as safe as a bank. I think that today building societies may be having the second laugh, as we see the parlous state of so many of the banks around this country and the rather harsh policies that they are having to enact in order to bring about financial stability for those very large financial institutions which were in the past seen as almost impregnable.

The role that building societies have played deserves to be acknowledged, and they deserve to succeed in this way when they are able to raise money through the auspices of the marketplace and the Stock Exchange in particular. This Bill has two simple clauses, and the second reading explanation explains the purpose of those clauses. I commend the Bill to the House.

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

SOUTH AUSTRALIAN OFFICE OF FINANCIAL SUPERVISION BILL

Adjourned debate on second reading.

(Continued from 15 April. Page 4361).

Mr S.J. BAKER (Deputy Leader of the Opposition): Our priorities in contemplating this legislation are probably around the wrong way: perhaps we should be looking first at the major amendments to the law that apply to building societies and credit unions under the Financial Institutions (Application of Laws) Bill because, without that legislation, this Bill is meaningless. However, this is just a reflection. It is important that members fully understand that we are now debating a complicated set of regulations as far as the building societies and credit unions are concerned. Of course, quite rightly, over a period we have seen extensive collapses which have caused a great deal of pain and which, on reflection, might have been regarded as unnecessary, the most recent of those being the Farrow Building Society in Victoria.

There has been a determination over a long period that we should all be working under the same set of rules, that prudential requirements should be applied to financial institutions, whether they be banks, building societies, credit unions, merchant banks or a whole range of other financial instrumentalities, that there should be some consistency, that there should be requirements regarding the way in which they operate and that there should also be some certainty for people who put their money with these institutions so that they have a fair chance of not being taken for a ride.

The Western Australian Teachers Credit Union was a classic example where, due to Government interference and entrepreneurial effort, large sums were used for purposes other than that for which they were designed, and that caused dramatic problems for that credit union. We have seen the collapse of the Farrow Building Society, as I said,

the Pyramid Building Society and the Teachers Credit Union. So, it is appropriate and timely that we should look at a framework of financial administration in this country.

This Bill sets up the South Australian Office of Financial Supervision, which will operate as a monitoring, regulating and supervising body for South Australia. No doubt members would be aware that large sums are involved in building societies and credit unions and, whilst they do not approach the massive amounts contained in our banking system, they are an important part of the provision of financial services. In terms of numbers, there are three building societies, dominated by the Co-operative Hindmarsh, and their combined assets are about $2.1 billion. At last count, we had 15 credit unions, with assets of close to $1 billion. So, combined assets totalled $3 billion. That is not peanuts: it is important, and it is important for the people who place their money and trust in those institutions that they feel comfortable with the way they operate and that they feel that someone is looking over their shoulder to ensure that they are operating in the best interests of those who lend money or who invest in those organisations.

So, we agree in principle that there has to be a supervision office in South Australia. It is far better than having a supervision office in Canberra, as we have seen with the Securities Commission, and that matter has been the subject of considerable discussion, that is, the extent to which a national body, somehow centred in one place, can provide the appropriate supervision, control and even advice to the States when the States do not wish to be dictated to by central bodies. In this case, there will be a half-way house situation: each State will be responsible for its own organisations but will work within the framework laid down by the Commonwealth in the Federal financial institutions legislation. This legislation is consequential upon the Federal financial institutions legislation. It has nation-wide effect in that each State has to participate, and the Commonwealth laws will prevail in the Territories, although the legislation also allows for the supervising authority to extend its jurisdiction beyond State borders. One can only assume that we will not walk into Victoria and tell them how to operate their building societies and credit unions. One presumes that we may be of assistance to the Northern Territory.

The State Supervisor is an authority. I believe that is unusual terminology. I keep saying that we should have simple, plain English in our legislation, but we keep seeing Federal legislation which is complicated, and all it does is to keep lawyers in practice. We have this body called the supervisor. I rail at that term, because it means something to me: it means that that entity is a person, one responsible for supervision. In this case, it is an authority—that is the difference. I would have thought that more appropriate terminology could be used. The legislation sets up the State Supervisor as an independent authority and establishes a board with a maximum of five members. The supervisory nature of the supervisor is similar to the current role played by the Credit Union Deposit Insurance Board. At the beginning of my contribution I said that we needed a framework—rules and regulations—so that people could operate and feel safer in their investments and so that the people managing these enterprises would work within a given set of rules.

Of course, here in South Australia we do have a set of rules, and we have had a consistent set of rules, but now we are going national and I suppose there is an intention to tear down the State borders and take away the differences, so we can have compliance on a national basis. That may have some advantages in terms of South Australian firms, credit unions and building societies extending their field beyond our State borders, into Western Australia, Victoria and New South Wales, although we may have time to judge that some time later. So, it is important legislation. It is consistent with the way we are treating financial matters and legal matters. We are now looking at a much more national legislative approach, at national guidelines that are promulgated at the State level so that the States' rights are not overly trampled upon, so that there is some room for differences in the way that laws are laid down, but nonetheless so that we are all working in the same direction, which is a little different from the way that we have operated as a nation for the past 92 years.

The Bill provides that this supervisor will be funded by levies on the institutions themselves; so the 15 credit unions and three building societies will be required to pay a levy that is going to fund the supervisor. That is appropriate because we presume that it is in the best interests of all concerned. The Bill, then, is really quite straightforward, but the legislation behind it is extremely complicated. I think I will have an opportunity very shortly to refer to that legislation, because there are some difficulties with the way it is being enacted at the Federal level, and the roll on through Queensland being used as the model State legislation, which matter I think needs to be canvassed. However, the Opposition supports the Bill presently before us to set up the South Australian Office of Financial Supervision. We trust that we will have people on the board capable of carrying out this supervision task that is being put in place. I do not need to spend much time on this matter. We have seen the $2.2 billion disaster, we have seen what has happened with SGIC and with the South Australian Timber Corporation.

We do not need to be reminded that the people responsible have to have appropriate expertise and quality, to ensure that the job gets done properly. Although I might have mentioned this on one or two occasions in the past, it can be said that we sometimes learn from our mistakes. I trust that the Government will get it right, that the four or five individuals who will be appointed will be of an appropriate calibre, that there will not be any jobs for the boys, or for the girls, and that they will be the best and most appropriate available, to ensure that the job gets done properly. We are paying a huge price in South Australia for the mistakes of the past, for the incompetence, lack of capacity and lack of supervision of our financial institutions. Here it is appropriate that we start off somewhat fresh, with a new supervisor and with a new board. We hope that when we see the names of the appointments we will all nod our heads, that we will not think that the job was given to an ex Labor Party hack or, if the tide had turned and it was our responsibility, to someone to whom the job was passed so that they could make a little bit of money out of it. With those few words, the Opposition supports the Bill.

The Hon. G.J. CRAFTER (Minister of Education): I thank the Opposition for its indication of support for this measure, which is to provide for a South Australian Office of Financial Supervision, to regulate building societies and credit unions in South Australia. I note that the matter of friendly societies is still the subject of some consultation, and a working group reporting to the Premiers is continuing consultations with the friendly society industry with a view to finalising the report on uniform regulation of that industry throughout Australia. The Bill does not preclude the proposals from that industry sector that might come at a later date for a board nomination of the South Australian

supervisor, if the Premier agrees that the friendly society industry is to become part of the supervisory scheme.

Taking the latter point made by the Deputy Leader in his second reading contribution, I note the analogy that he uses in relation to Government financial institutions only in his criticisms relating to this State. If he is saying that appointments to this supervisory structure need to be appropriate, then the analogy with respect to the banking industry really relates to the Reserve Bank, which has that supervisory responsibility for the banking industry in this country—not indeed to the actual financial institutions that the honourable member referred to. Here I think we need to draw that analogy, because what we are creating is the South Australian component of a national supervisory structure, and very clearly the analogy with the banking industry is that there needs to be also an assessment of the effectiveness and appropriateness of the current supervisory structures for that industry similarly.

We in this State are fortunate that we have been well served by our building societies and credit unions and that there have not been the financial disasters and collapses that have been experienced in other jurisdictions, with the devastating results that we have seen and consequent imposts upon Government. So, we have had a structure in place in this State of guaranteed funds and also a monitoring structure and, in the main, responsible management in these financial institutions, which have served us well in the past. However, it is important that we do bring this matter into national focus, and this legislation will form part of complementary legislation around this country and also give flexibility of administration. That is important across State borders, because we now have financial institutions that cross State borders.

We also need to most effectively and efficiently use the resources that we have available to us, and the link with the Northern Territory is perhaps only one example of where there may be a much greater degree of cooperation between the States and the Territories in terms of regulation of this important sector of the financial industries of this country. For those reasons, and noting also that the legislation is intertwined with the next Bill that we will deal with, I can say that these two pieces of legislation will then establish a statutory structure which will provide for the duty that we as Parliamentarians have to the community of South Australia to ensure that people are protected to the best of our ability, that there is appropriate management and that the concerns expressed by the honourable member are unfounded fears.

Bill read a second time.

In Committee.

Clauses 1 to 13 passed.

Clause 14—'State Supervisory Authority.'

Mr S.J. BAKER: Can the Minister explain to the Committee what the Government intends as far as composition of the board is concerned? I made some mention about competence and knowledge of the industry and the capacity to perform as being some of the important criteria for board members. The Opposition wants some more information on whether South Australia will take up five board member positions. The Opposition would be delighted to know about the sort of people the Government seeks to put on the board.

The Hon. G.J. CRAFTER: I do not have the information available to me but undertake to obtain it for the honourable member. Unfortunately, I did not have notice of that administrative matter as a result of the passage of this legislation.

Mr S.J. BAKER: I should like to make the point very strongly that with all our institutions it is imperative that we get it right and do not take the easy way out. The State Bank is a prime example. I am pointing the finger in one direction, because this Government has been here for almost 10 years. Of course, it was a manifestation of earlier times, when there were never any problems, they would all be sorted out and there was always room, whether it be on the ETSA board, the State Bank or any other board, for a former parliamentarian or a person who supported the Party. Those days are long gone. When the Minister is gleaning information from the Attorney, I trust that he will have a very positive response to the issues I have raised.

The Hon. G.J. CRAFTER: I am mindful of the matters raised by the honourable member. We in this State have been very successful in securing on a number of our boards very competent and prominent people with the appropriate expertise, experience and credentials to serve this State. It is not a time when people are volunteering to sit on boards of public or private corporations in this country. Immense responsibility is now placed on directors, which is a sobering judgment that many eminent persons must make before accepting appointments.

However, I am confident that in this sector of the industry we can secure the appropriate persons from both the private and the public sector to serve on this authority. I note that there was some debate in the other place, and the Attorney elaborated to some extent about the types of persons who can be appointed and their terms of office, so there is flexibility in such appointments in order that the most appropriate people can be appointed from time to time and certain expertise will be brought in when appropriate. I will take the matter on notice and obtain information for the honourable member.

Clause passed.

Clauses 15 to 21 passed.

Clause 22—'Lodgment of periodic returns.'

Mr S.J. BAKER: Has consideration been given to deputies so that there is automatic replacement as the need arises? The difficulty we often find with such small board numbers is that, with four or five, if one person takes four weeks leave and is not available when important decisions need to be taken, there must be a process of appointing a replacement, and the proposition is not very practical. Has the Government investigated whether this form of appointing a person who would step into a job for one or two weeks and then step out of it again, with no backgrounding, is appropriate or whether it would be better to have a deputy situation as we have in a number of other pieces of legislation?

The Hon. G.J. CRAFTER: The aim of the legislation, from the replies given by the Attorney in the other place in this area, seems to be to give maximum flexibility to the Government's ability to appoint the most appropriate people to the boards, whether they are there for fixed periods or whether there is flexibility to appoint persons for shorter periods. I would not have thought it appropriate to appoint a person in place of someone who is absent for a week, but in order to obtain the services of people who are competent to serve, who are often holding other positions and directorships, many of which take them interstate and overseas from time to time, it is appropriate that there be flexibility in the ability to appoint or to replace persons for appropriate periods.

Specific reference is made there to persons who are absent from duty or from Australia, or who 'for any other reason are unable to perform the functions of the office'. So, it is a matter of providing broad flexibility for appropriate

appointments in the varying circumstances that are now required for dealing with people who are senior executives, people who in modern business practice are often required to travel quite extensively, or who may be involved in duty for a period and are away, yet whose services we want to retain in the longer term for that continuity and the contribution they can make to the ongoing work of this authority. I can suggest only that they are the most general reasons, rather than creating an overly bureaucratic structure for very brief absences.

Mr S.J. BAKER: That was a lot of gobbledegook. Obviously, if someone is absent temporarily, appointing someone with particular expertise is not necessarily an option. I am saying that the expertise needed to run a supervisory authority should be inherent in the replacement that is available and that, therefore, the deputy system has something to offer. I also make the point that, during the deliberations on the SGIC Bill, one thing that kept coming back to me time and again in our discussions about the way in which the board had contemplated the various investment opportunities was the extent to which a limited number of people were available to approve certain investments.

On the investment subcommittee, for example, which was the recommending authority, one or two board members might have been available to analyse those investments. And this was the body that made decisions on behalf of the board, which were normally rubber stamped by the board. I am saying that, with such a small number, there is the risk in a difficult situation that you are calling on a person at very short notice to fulfil a short-term duty. If a person is unable to perform the function of that board, one would expect that person to be replaced by someone with the appropriate expertise and capacity to do the job.

We are not talking about that: we are talking about a short-term situation where the person following in those footsteps should have the appropriate knowledge. That knowledge is best gained through a deputy relationship. I will not go on with the point, because I do not think that the Minister is aware of the reasons. It may be that that is what is being done around Australia, but I raise the point that there seems to be a better way of doing things.

Clause passed.

Clauses 23 to 38 passed.

The Hon. G.J. CRAFTER: I move:

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

Motion carried.

Clause 39—Delegation of SAOFS's powers.'

Mr S.J. BAKER: I am interested in the extent of interchange between the States with the supervisor. Clauses 39 and 40 canvass the possibility of our supervisor or member of the board going beyond State boundaries to participate and indeed make decisions. Will the Minister advise under what conditions this will occur?

The Hon. G.J. CRAFTER: I can add little to what has been said in the second reading debate and in the debate in another place. Little was canvassed on this point other than the possibility of it occurring. One cannot predict the circumstances wherein there would be this degree of cooperation. The important thing is that it is possible now for it to exist and be explored. As the honourable member said in his second reading contribution with respect to the Northern Territory, obviously there would be a great deal of advantage for the administraiton of that Territory to work closely with the authority in this State. It may well progress beyond that and, where there is particular expertise in an office which has the capacity to assist in one way or another, presumably that should be used across the nation in the most appropriate way and, with complementary legislation of this type, that can now occur.

One of the great deficiencies of corporation law and corporation regulation in this country, as we saw particularly in the 1970s and early 1980s, was the compartmentalisation of the regulatory authorities in this country and the great difficulty with which work could be done across State borders, which defeated the purpose of the statutes of individual States and Territories. We have now overcome those great deficiencies. We now need that follow it through w, as the honourable member stated in his second reading contribution, a new climate of cooperation between the States and Territories, particularly at the administrative level, to see what can be achieved and what is the potential in this area.

Clause passed.

Clause 40—'SAOFS may act as delegate.'

Mr S.J. BAKER: I refer the Minister to clauses 8 and 40 and make the observation that SSA's powers are not defined in the definitions, whereas I think they should be. That can be tied up at another time. Obviously there is an intention to separate this body from ministerial and Party political direction, one suspects. Will the Minister assure the Committee that clause 40 is in keeping with that and say how far ministerial direction can be given to this body? Whether it be the Attorney-General, the Minister of Finance or whoever will be responsible, how far can that Minister direct the Office of Supervisor in terms of its deliberations and what reports will be delivered to the Parliament, if any?

The Hon. G.J. CRAFTER: A reading of those two clauses does not provide some implication that the power of the Minister to direct is instituted. Clause 8 is quite explicit, containing the words 'expressly provided'; the SAOFS is not subject to direction by the Minister or the Ministerial Council. Clause 40 gives the Minister approval; it is not a direction in the context of clause 8. It allows for the Minister's approval for the State to act as delegate of the SSA of another participating State in relation to the SSA's powers under or in relation to the financial institutions legislation. That approval is required and the logic of such can be readily seen to allow for the State to participate in or act as the delegate of another participating State in relation to the SSA's powers. That is a different procedure—it is a procedural matter and does not infringe on the provisions of clause 8, which provides explicitly that there is not ministerial direction on behalf of an individual Minister or the Ministerial Council.

Clause passed.

Remaining clauses (41 to 43) and title passed.

Bill read a third time and passed.

PARLIAMENTARY SUPERANNUATION (MISCELLANEOUS) AMENDMENT BILL

Returned from the Legislative Council without amendment.

MFP DEVELOPMENT BILL

The Legislative Council intimated that it had agreed to the recommendations of the conference.

FINANCIAL INSTITUTIONS (APPLICATION OF LAWS) BILL

Adjourned debate on second reading.
(Continued from 15 April. Page 4362.)

Mr S.J. BAKER (Deputy Leader of the Opposition): This Bill must be a first. The legislation is balanced delicately upon the head of the Queensland Parliament. It is template legislation and, whilst the framework has been set by the Commonwealth, we now have the Queensland Act as the model to which we refer and, presumably, under this legislation with which we have to comply. I find it quite bizarre and quite horrifying when I look at the enormous amount of material in the Queensland Act, which is not readily available here in South Australia.

Whilst I said previously in the discussion of the setting up of the supervision office that it was important to get some uniformity between the States, that it was important to tear down some of the State barriers, and that it was important to have a consistent framework operating across Australia with our building societies and credit unions, I did not realise until I looked at the background information on this Bill how complicated it is. I ask members to look at the Queensland legislation, but perhaps they should first look at the Commonwealth legislation. The framework for the laws that we are considering has been expressed within the Australian Financial Institutions Commission Bill.

The volume before me stretches to 297 pages, for those members who wish to read, and I have read some of it, what changes have taken place in relation to the AFIC legislation. This is the Commonwealth legislation, the guidelines under which all State instrumentalities operate. However, it has now been taken a step further and Queensland has been used as the role model. The Queensland model is to be addressed by South Australia because we have adopted the Queensland law. I would ask members to look at the Queensland legislation. There is a Bill called the Financial Institutions Queensland Bill 1992. It is a comprehensive piece of legislation and it runs to a mere 340 pages, something very easily digestible, if one has several weeks to do so, and this is the State model.

To further compound the problem and the situation we have regulations under the Financial Institutions Act 1992, and they run to some 115 pages. We have before us today a Bill, which is simple and not very complicated at all, that runs to 12 pages. It enforces upon South Australia the Queensland legislation, and the Federal legislation, if I have read the matter properly. It is quite complicated. The law that must be complied with in this area comprises close to 500 or 600 pages.

I do not know about anyone else in this place, but what we see here defies rationality. I would not suggest for a minute that we should get our own set of rules and laws, because that would take a tremendous amount of time and obviously it is simpler to adopt something that has already been put in place. However, the sheer volume of effort to write this law begs the question of what we are attempting to do in terms of deregulation. It begs the question about how much control should be placed on financial institutions. It begs the question about how free a market we wish to have in Australia and South Australia. It begs the question of the cost of legal interpretation. It raises a number of serious questions so far as I am concerned about the way in which South Australian institutions—the three building societies and 15 credit unions—have any hope whatsoever of conforming with this extensive legislation.

It might be all right for lawyers—and I have read the second reading debate in another place—but I do not believe it is right for the people of South Australia or Australia. There must be a simpler way of doing things. I suspect that, if the Commonwealth had attached to its major Bill some important preconditions which were referred to in the South Australian legislation, we could have had a relatively simple Bill somewhat larger than the one we have before us today, but not of the proportion that we are now talking about.

I remind members that there are 115 pages of regulations, and in the Queensland law 340 pages of legislation. That is 455 pages, and on top of that we have the Commonwealth contribution. I continue to ask how we as a nation can possibly thrive, expand and take on the rest of the world when we have this extraordinarily complex and far reaching legislation imposed upon our institutions. I have heard it said many times that the amount of paperwork generated by Commonwealth and State requirements over the past 10 years has reached the point where people, even if they can survive the recession, are not interested in resuming their business or passing their business on to their children because the paperwork is of such time consuming magnitude that it is not worth the effort.

Here we have a large contribution to the regulation of building societies and credit unions, I note in the second reading explanation that the purpose of the Bill is:

> . . . to apply the Australian Financial Institutions Commission Code and the Financial Institutions Code, which has been introduced into the Queensland Parliament (and passed), as a law of South Australia; and to repeal the Credit Unions Act 1989 and the Building Societies Act 1975 except in its application to Starr-Bowkett societies.

The Minister referred to these societies in the previous debate. In some way we are buying a pig in a poke, because this legislation is of such complexity that it has not stood the test of time and I do not know in my own mind whether the legislation that the Queensland Parliament has adopted is right for South Australia. I do not have the legal mind capable of looking through this legislation and saying that it meets the needs that we would perceive are necessary to provide a suitable framework for the financial management and supervision of the operation of building societies and credit unions.

I cannot make that judgment: I am not a lawyer and I defy anyone in this place to tell me what all this legislation means. How do we in South Australia have a hope of complying with it all, given that it has come from another State in a form with which we are not comfortable? We have not had the opportunity to go through the legislation by ourselves to determine whether it is appropriate. We are being told that this is the model and this is what we have to work from, yet I know that there are complications. There is some suggestion that Victoria may not comply, and there are suggestions that the legislation may not operate as effectively as first envisaged. There are not any certainties. Each State has the right to make its own judgment, but since when has the Commonwealth had the right to say that the Queensland model shall be the model adopted by all States virtually in its entirety?

I realise that the Premiers signed a formal agreement committing the States to a uniform process which culminated in consideration of the cooperative scheme legislation and, if all States secure its passage, there will be a new scheme for State-based prudential supervision of permanent building societies and credit unions throughout Australia. That is a fine ideal, but are we sure that what we have picked up from Queensland does the job? Why should we not have the right to scrutinise it as a State and determine whether it is appropriate? It does not necessarily compute

that this extraordinary heap of legislation will be appropriate.

I note that some States are having difficulties, that this legislation will not be in place around Australia by 1 July and that some disagreements still have to be sorted out. What concerns me is that we may put into legislation that we have agreed with the Queensland model and, some time later, determine that it is inappropriate and have to go through the whole process of duplicating those sections we agree with and disposing of those sections which cause us problems.

I am sure that the Commonwealth helped put this legislation together, as we would expect. The second reading explanation refers to the supervisory arrangements which are underpinned by the legislation that is before the House. It sets up an independent national body, with the working title Australian Financial Institutions Commission (AFIC), to be established in Brisbane under the AFIC code. So, we have this Federal umbrella which resulted in the Queensland laws.

The State supervisors (which we dealt with in the previous Bill) are to be established as independent authorities in each State and are to undertake day-to-day prudential supervision of building societies and credit unions (and we referred to that matter also in the previous Bill). AFIC, the controlling commission, will coordinate the efforts of all the States and ensure that there is uniformity in the way in which the standards operate.

There are rules about the way in which capital and the assessment of high-risk ventures should be treated, and standards are laid down in the Queensland legislation which require not only disclosure but appropriate action to be taken should certain requirements not be met. The Act and more importantly the regulations contain requirements relating to liquidity, overly large exposure (which is very topical given the State Bank situation and SGIC, whereby its liability increased by 50 per cent with 333 Collins Street), ownership structures, risk management systems, relationships with subsidiaries, and very importantly provide protection for depositors. I know that, under the Australian Accounting Standards that have been adopted in this legislation, building societies and credit unions are not allowed to have off balance sheet companies, and we would all be relieved to know that.

It is an all-embracing piece of legislation, but its depth must be questioned in terms of how much freedom credit unions should operate under. How do we reach a balance that will allow them to have appropriate manacles to prevent some of the indiscretions that have occurred in other States and to a lesser extent in South Australia (where fortunately the institutions have survived due to combinations and bale-outs) yet have a set of rules that are not too difficult to comply with—and that is the impression I gained from reading the legislation and the regulations?

It is important to understand that the Financial Institutions Code provides for a prime purpose test where a minimum of 50 per cent of a society's group assets must be held in the form of residential finance either owner occupied or tenanted. This relates particularly to building societies. On the other hand, credit unions are required by the Financial Institutions Code to maintain 60 per cent of their assets in financial accommodation to members, and no more than 10 per cent of such financial accommodation may be for commercial purposes. That is very important.

I do not know who came up with those magic figures; but we will assume that there is some sense to them. What they say to the credit unions is that they should stick to the business they know best, which is usury—the turning over of money—so that they can make a profit out of it, have a margin and, provided they operate prudently and conservatively, there will not be a difficulty. Therefore, some rules have been set. The same applies to building societies where rules have been set, such as the 50 per cent rule, which really says that building societies should stick with what they know best, ensure they have proper asset backing and not exceed certain values. But for every law that is made there is some way of getting around it. However, it is a guide and the institutions will have to comply with the Financial Institutions Code.

Apart from the prudential standards not being prescribed in the legislation, and the State Supervisor being given power to determine the supervision levy to be paid by the institutions, the Financial Institutions Code provides for a system of governance for building societies and credit unions not dissimilar to that provided in current building societies and credit unions legislation. We have lost a little bit of State legislation and have gained this horrendous piece of legislation, and similar requirements prevail. Perhaps we should have had a Bill that combined the best practices, then thought about what was left out and perhaps had an amending Bill or some other form of legislative change which would have made the task a little easier so that anyone in the industry would know exactly what rules were operating. They would then have to look at it at the margin and the additions that were being made rather than having to contend with this very complex and extensive set of laws. The second reading explanation makes the point that interstate societies will be required to be registered as foreign societies under the Financial Institutions Code if they trade in South Australia. I am not sure how that sits with section 92—

The Hon. G.J. Crafter interjecting:

Mr S.J. BAKER: I will let the lawyers sort out that item. I find that the terminology in some of this legislation is very interesting but very disheartening when one is trying to get simple legislation. The legislation provides that if you come from interstate you are a foreigner, and I find that amusing. A number of other changes are made in the Queensland legislation which we have to accept *en bloc*. The Bill before us merely says that the Queensland legislation is now the South Australian legislation, and this Bill makes that possible. I will not reflect on matters that I have previously canvassed. I am not happy with the situation. I am not satisfied with the way in which the lawyers of this country make life so difficult for people trying to make a dollar. As I said originally, I am not sure that what we are doing here is right, but I adhere to the principle that was originally expounded that we should have a consistent framework. With those few words, and with a great deal of confusion, I support the Bill.

The Hon. G.J. CRAFTER (Minister of Education): I thank members of the Opposition for their support for this Bill. The honourable member may be setting a task for himself that no-one could fulfil if he attempts to digest all this legislation and the subsequent legislation that relates to it around this country. There are situations where we need to take advice from those who are experienced in this area. No individual Minister, Premier or member of Parliament can be expected to know all the implications of this legislation. Of course, officers are available to assist members who do require more specific information in these areas, and this is probably one piece of legislation where members should take advantage of that opportunity and seek the advice of officers, so that briefings can be made available.

I do not think that the honourable member can simply make statements about this legislation being horrendous or that this legislation makes it difficult for people trying to make a dollar out there, to quote the honourable member, and then, on the other hand, almost every day that this place sits, demand that the Government intervene in financial institutions in this State to a greater extent, indeed down to minute detail, which is quite contrary to what the Opposition argued when we were dealing with the State Bank Act.

Mr S.J. Baker interjecting:

The Hon. G.J. CRAFTER: The honourable member should talk to his colleagues who take a different approach to this matter in dealing with the—

Mr S.J. Baker interjecting:

The DEPUTY SPEAKER: Order! The Deputy Leader has made his contribution.

The Hon. G.J. CRAFTER:—financial institutions in this country at the present time. The honourable member blithely refers to this legislation as the Queensland legislation. If a South Australian Bill was being established as a result of the decisions taken, undoubtedly members in other Parliaments would say, 'Well, this is only the South Australian Bill.' However, a spirit of cooperation is actually abroad in this country and the legislation, while emanating from one State, has been agreed to by all the States and Territories, through the auspices of the Premiers Conference. In fact, they met in Adelaide when they made this decision, so I suppose that someone who adopted that attitude could criticise the meeting place as well, because that is about as relevant as an argument that this is really the legislation of another State and, therefore, is *ipso facto* suspicious and should be considered as lesser than that legislation which emanates from our own Parliament.

In December last year, the Premier signed a formal agreement committing the State to a uniform process which culminates in consideration of cooperative scheme legislation. If all States secure its passage, there will be a new scheme for State-based prudential supervision of permanent building societies and credit unions throughout Australia. The flexibility of this legislative approach, and indeed its relationship with the industry, is the important feature that the honourable member might have overlooked in his criticism of the processes that have brought this matter before this Parliament at this time.

The scheme involves national coordination of high uniform standards and practices and will enhance the prudential standing of the industry. It will also provide a framework for a stronger and more competitive industry to develop in the future. As I said, the Premiers' communique, from their meeting in Adelaide last year, stated that the formal agreement represents a notable example of the States and Territories working together to effect reform in an area of important concern to all jurisdictions. It also reflects the constructive spirit of cooperation between Governments and industry. I only hope that the honourable member's criticism was not aimed at that cooperative spirit, because I think that is something that is to be commended, particularly in this country, in dealing with financial institutions.

The prudential standards, which are no longer prescribed in the legislation, are to be set by AFIC in consultation with the industry, and the honourable member referred to this in his second reading contribution. The working group reporting to the Premiers has established a steering committee to commence preparation of draft standards for consideration by the working group and exposure to industry. These standards, which effectively will be subordinate legislation, will be published in the Queensland *Government Gazette* and in a book form in similar manner as the Reserve Bank publishes bank prudential standards.

At the core of those standards will be a risk-based approach to maintaining capital, which acts as a brake on high risk ventures, whilst not obtruding into legitimate management decisions, and provides a protection for depositors. Additionally, the standards will address in detail prudent practices relating to liquidity, large exposures, ownership structures, risk management systems, relationship with subsidiaries, accounting standards, and a number of other matters. The regulations under the initial financial institutions code have been approved by the Premier, and future regulations are to be approved by the Ministerial Council for financial institutions established by the financial institutions agreement.

So, in brief, we can see that considerable work has progressed over a period of years, culminating in the decisions taken at the Premiers' level and now by the Parliaments around this country, indeed with the support and the continuing cooperation of the industry itself. The South Australian Government is supportive of the aims of maintaining a strong and viable building society and credit union industry in this State, and the proposals contained in the Bill have been discussed with the building society and credit union industry over a period, and they fully support this Bill's proceeding in its present form. I believe that the Opposition was also consulted about these proposals at an early stage. I commend the Bill to the House.

Bill read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

ADJOURNMENT

At 10.38 p.m. the House adjourned until Wednesday 29 April at 2 p.m.