HOUSE OF ASSEMBLY

Friday 23 April 1993

The SPEAKER (Hon. N.T. Peterson) took the Chair at 10.30 a.m. and read prayers.

EMPLOYMENT AGENTS REGISTRATION BILL

Adjourned debate on second reading.

(Continued from 11 March. Page 2467.)

Mr INGERSON (Bragg): The Opposition supports the Bill. We have had considerable discussion with the two associations concerned in this area, namely, the Labour Hire Association and the National Association of Personnel Consultants. I note that the old Bill, which was first drawn up in 1915, is now repealed by this legislation. The major concerns that have been expressed to me about the Bill involve the agent's being required to display all their fees in their office. They are concerned about that, because no other professional must do it. As a pharmacist I do not have to do it—and I know my doctor, medical and legal friends do not have to do it. As this is a group of professionals, it is an area of concern. I think that the Minister ought to look at that. In terms of responsibilities in relation to permanent and temporary placement of employees (clause 20), that is another area of concern that I will bring up in Committee.

The Bill principally changes the relationship and extends the coverage to include freelance personnel and contractors more specifically, not necessarily for the first time. It now makes it obvious that is the case. That is a very interesting area. Some two or three years ago when troubleshooters first came on the scene it was interesting in terms of the change of method of hiring labour. Some of the methods that were used in setting out to achieve an important change really were dubious. This Bill will bring into line any new groups that might want to come into this area, and that is a very important change.

There is no doubt that the tightening with regard to the issuing of licences is important to the association. I do not see it as a major issue, but the association does because it felt that getting six ratepayers and a justice of the peace was an easy way of achieving registration. This new method will tighten that up and afford some protection for employees. I support the argument that if someone is employed through an agent he should be given all the details of his employment. We have included in the Bill rates of pay, any award if such exists, responsibility in relation to tax and insurance payments—whether the employer or the employee is expected to make those payments-expenses, and so forth.

Probably the most important provision is whether the relationship to workers compensation is clearly spelt out. There have been several instances when agents have been held responsible for workers compensation payments when they were not directly involved in the workplace in which these people were finally employed. This requirement will at least set out who is responsible. The Minister will be aware that, whilst we may set out the requirement, it may not always be adhered to, but at least it is set out. Then, if it is not adhered to, the Government, through its inspectors, can do something about it. That is a very important change which everybody should support.

The charging of fees in relation to the agent's own employees and a fee for workers to be listed will not be allowed. I support that important provision. With so many people unemployed, we should minimise the cost to them of obtaining employment. The prohibiting of charging fees for listing is very important. The fact that the fee has been increased is interesting. I suppose that the Government in all areas has to get something extra into its kitty by way of charges. In this instance only a small number of people are concerned. It will not necessarily raise a lot of money, but again we have charges increased, and that is a pity.

The penalties have been brought in to be consistent with the Acts Interpretation Act. Consistency of penalties right across the legislative mode is very important. Concerns have been expressed about the display of these fees in the agency. It seems to me to be a bit over-administered because the Government can, at any stage, through its inspectors, check up on those issues, and I am quite sure that the display of fees in an office will not result in excessive charging by these agents. I think it is just another administrative exercise which really does not need to occur. If the Minister or the Government wants to do something about employment agents over-charging, there are other ways of achieving the same end.

The Opposition supports the Bill, which upgrades the existing situation. I hope that this sort of method of employment whereby agents carrying out a valuable service to the community, not only to the employers but to the employees, can be encouraged, and in supporting the Bill we note that the Government is doing something practical and forward thinking.

The Hon. T.H. HEMMINGS (Napier): I am slightly disappointed in the approach of members opposite. In the first instance, neither the member for Bragg nor the Deputy Leader did not know whether they were Arthur or Martha: they did not know which Bill they were debating.

The SPEAKER: Order! The member for Napier is well aware of the requirement for relevance in a debate. Whether or not the Opposition is ready has nothing to do with the legislation before the House.

The Hon. T.H. HEMMINGS: I know, Sir, but it would be nice to let our gentle readers of *Hansard* know what it is all about.

The SPEAKER: Order! The honourable member has done that.

The Hon. T.H. HEMMINGS: I had thought that the member for Bragg would give us our first indication of the Opposition's industrial relations policy. The Minister's second reading explanation states:

> An extra requirement on agencies will be to issue a standard schedule of information to each worker, the details of which will be determined by regulation. The required information will include rates of pay, the award covering the worker (if

relevant), their responsibility for tax and insurance payments, who the employer is, expense reimbursement details and leave arrangements.

That is all very necessary and vital for this legislation. We do know that the Liberal Party, and in particular the member for Bragg, who preceded my contribution has, under wraps, an industrial relations policy which will make all those requirements, if they get into power, irrelevant: they will be hoping that no rates of pay will be set down, because every worker will be at the mercy of every individual employer. There will be the individual contract: 'If you don't like it, get out.' That is what the member for Bragg has under wraps.

Mr Ferguson interjecting:

The Hon. T.H. HEMMINGS: The member for Henley Beach interjects, quite wrongly, but what he does say is quite correct. What is their industrial relations policy? The Liberal Party either does not have one or it is hiding it from the people of South Australia. The member for Bragg on the one hand indicates that the Liberal Party supports this extra requirement, under which all the relevant information must be provided to a person who goes to one of these agencies seeking work, yet on the other hand, under that wrapper, there is an industrial relations policy which will make all that superfluous.

We know that, under the Liberal Party's industrial policy *a la* Kennett in Victoria and in New South Wales, the worker has no rights, because all the award provisions are being taken away. Dare I mention that, prior to 13 March, that would have been a Hewson Federal Liberal Government policy. That is the only contribution I will make in this debate, but I would suggest to members on both sides that the member for Bragg speaks with a forked tongue. He is paying lip service—limp, flaccid support—to this piece of legislation knowing full well that, if the people of South Australia make the wrong decision at the next State election, this piece of legislation will be the first to be rescinded, because it has no place in the Liberal Party's industrial relations policy. I support the Bill wholeheartedly.

The Hon. R.J. GREGORY (Minister of Labour Relations and Occupational Health and Safety): I thank members opposite for their support of this Bill. It is an important step forward. As we all know, in times when jobs are difficult to obtain, people will go anywhere and everywhere seeking work. We can all recall seeing on the television exposes of unscrupulous people who sought to exploit some of the most vulnerable members of our community—those who are unemployed and wanting to work. The department has realised that the legislation that was enacted in 1915 is inadequate in dealing with modern-day conditions.

The Bill presently before the House has been the subject of an enormous amount of discussion with the principal social partners—the unions, the employer organisations and, more particularly, the people employed in the employment agency area—and it reflects their concerns. I might add that one of the major employer organisations in this State had a considerable number of concerns, and most of those have been met. A couple have not been met, but I am of the view that we do need regulation in this area. There is nothing more vulnerable than people who are looking for work, and they have to be protected from unscrupulous people. I am of the view that, when we protect job seekers from the unscrupulous, we are actually enhancing the reputation of those who act with propriety in this area, protecting them in the process.

The honourable member opposite made some comment about an increase of fees. When any organisation has a licence to operate, it ought to pay the appropriate fee. One of the conditions of the granting of a licence is that the organisation should conform to a certain standard of conduct. If it fails to perform to that standard, or if it goes outside the rules by which it needs to abide, under this Bill that licence can be revoked or varied. If it is revoked, the amount of money spent on the fees is forfeited. I am of the view that, when a licence is provided for exclusive work in this area, the fees ought to reflect the costs of obtaining it, and they ought to be high enough to be a penalty if the licence is revoked.

Mr Ingerson interjecting:

The Hon. R.J. GREGORY: I am pleased to hear the interjection of the member for Bragg when he says that he does not disagree with that. Perhaps we ought to increase it a bit more. I am pleased that, in this time of economic downturn when we know of structural changes that are taking place in industry today, our generation's approach as to how work is performed and how people obtain work is changing rapidly. Many people will be seeking work through employment agencies; it should be regulated, and those people should be provided with protection.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Interpretation.'

Mr INGERSON: I refer to the definition of 'employment contract'. Some people in the community are saying that in essence that definition could cover subcontractors. Is that the case or does this purely and simply cover what I understand in any case to be arrangements between an agency and an employee? There is a question as to whether it goes further than that, and whether that definition picks up what we would traditionally know as subcontractors, particularly in the building industry.

The Hon. R.J. GREGORY: I can assure the member for Bragg that it is not our intention to do that, because the building industry operates in a different way from this altogether. I draw the honourable member's attention to this clause and similar provisions in other Acts defining the difference between a contractor and an employee.

Clause passed.

Clauses 4 to 18 passed.

Clause 19—'Display of information at registered premises.'

Mr INGERSON: As I mentioned briefly in my second reading speech, this clause will require employment agents to display on their premises a notice clearly showing the scale of fees for the time chargeable by the agent in respect of his or her business, with the requirement that a copy be sent to the director. I do not see any hassle with a copy of the scale of fees being sent to the director if the Government so wishes, but to ask

employment agents to display their fees, which may vary on a contract by contract basis, seems to me to be somewhat beyond the pale.

If we look at any other professional groups or, for that matter, any other groups involved in the traditional trades area, we will see that they are not expected to display their scale of fees publicly. The principal reason is not that they do not want to do so but that they vary, almost on a contract by contract basis. While it may be argued that the scale of fees should be lodged with the director, because they understand that under the regulations that may be required, to have to go to the extra trouble of keeping up to date all the time and, if they do not happen to be up to date, to cop a fairly significant division 6 fine, seems unreasonable.

The Hon. R.J. GREGORY: During my second reading speech I have made it very clear that the Government views this measure as being extremely important, because our society is changing rapidly and, with structural changes in the industry, people will be looking for work in different ways from those of the past, and more and more people will be going to employment agencies, which will cater for their skills and act as a broker in getting them work. There is an enormous amount of legislation with respect to prices and how retailers are required to display the price of the goods they sell, how they can be prosecuted if they are misleading in respect of retail price maintenance and how they can be prosecuted by the Trade Practices Commission if they display prices to suck people in when they do not have the articles there for sale.

Nearly every business we know that sells a product displays its prices, and in many instances the purchaser of that product is able to negotiate with the seller as to the price to be paid for that product or article. Many people sell services, and people then negotiate what the price ought to be. I do not see a problem with requiring the organisations covered by this legislation to indicate to the people to whom they are selling, people who are a very vulnerable group of people, the prices they will charge.

Indeed, they do that now. It is important that when people walk into these places they know what they are being charged. Perhaps the medical profession, and more particularly the legal profession, would not be held in such disrepute by the members of the public if they prominently displayed their prices and people knew what it was going to cost them for the supply of certain services. If you get your car serviced you want to know what it will cost; if you buy a car you want to know what it will cost; and if you buy a house you want to know what it will cost. Indeed, certain legislation restricts the price that people can charge when they sell their home. Why should it not be the same when people are providing work and acting as a broker for a person to get a job? I think it is a perfectly reasonable requirement, with which, incidentally, the industry is currently complying.

We ought to make sure that all the people who offer a service in this area are displaying their prices so there can be no skulduggery; so that if those people are playing up or being a little mischievous and exploiting people, we have a way of getting rid of the crooks from the industry. This is an industry in which we do not want crooks: we want honest people assisting others in getting work. The other aspect of this is that, if they are going to do that, why should they not be paid? But, on the other hand, why should not the person who is the purchaser in this situation and who is virtually putting their life, their future, in someone else's hands, know what that will cost?

Mr INGERSON: The concern, first, was the display, but the Minister has indicated the obvious second concern. He said that he does not want to see any unscrupulous charging in this area. If that is the case—I might not have quoted it exactly but basically—

The Hon. R.J. GREGORY: Unscrupulous operators.

Mr INGERSON: Yes. The person required to display a piece of paper outlining a scale of fees may be deemed unscrupulous by virtue of the contents of that scale of fees. It seems to me to be another administrative exercise that ultimately achieves nothing. Nowhere does this Bill, thank goodness, set out what that fee ought to be. If the inspectors follow the debate of this Committee, they would deem that the Minister would see that an excessive charge is unscrupulous and unreasonable. But what is an excessive charge? That is the second concern that I did not mention when referring to this scale. With the Bill coming before the Chamber today, I was not able to contact counsel yesterday in relation to an amendment. I point out that in another place we will be considering an amendment to this clause.

The Hon. R.J. GREGORY: Wherever you go to purchase a service now you see a price displayed. We have unscrupulous retailers who display their prices; but the fact that they have to display them and then behave in an unscrupulous manner undoes them. I think that if people are unscrupulous in their operation in this area they ought to be undone. I do not think that anybody in this Chamber, or indeed in the Upper House, would agree that unscrupulous people ought to be able to exploit the unfortunate people in our society who are looking for work. This is a step towards ensuring that they cannot get away with it.

I was referring to operators, not prices, and a considerable number of people are operating in the industry at the moment—I believe just over 100. If the prices are displayed, the people who want to purchase that service have the opportunity of going somewhere else: they know where they can go. If a person is charging too much they can go somewhere else where they are not charging so much. That is competition, and that will ensure that people get a better service and know what they are getting.

Clause passed.

Clause 20—'Responsibilities to employers.'

Mr INGERSON: The operators have asked me to question the Minister on the practicalities of subclause (4). It involves practicality in relation to casual and part-time employees in principle. The operators accept that to them casual employment is really a daily exercise versus permanent employment. It might involve a month in a particular area, and I make that comment about the industry and not about what I know with respect to permanent, casual and part-time employment. They believe that this provision, which requires them to provide the name and address of the business, where and when the person must attend, taxation information, and

so on every single time they employ a person for a day, is impractical. They would like it brought to the attention of the Minister that, whilst the intent is obviously good, there are some very significant practical problems with it, particularly as any breach attracts a division 6 fine.

As an example, I was advised that one hospital regularly rings up at 9 a.m. and says, 'A couple of nurses have suddenly taken sick; can you get a nurse out here today?' In a practical sense, what happens is that the agent consults the contact list and then telephones a couple of people and asks, 'Can you go to the XYZ hospital this morning at 9.30?' If the answer is 'Yes', off they go. Under this provision, the agent will have to bring them into their office and give them this information before they can start work. A solution would be for everybody to have a fax machine at home. However, that is just not practical—not everybody has a fax machine, so you cannot fax that information to them and say, 'Look, this is where you have to go.' Some people do have faxes, of course, but the majority of the community does not.

The operators are not opposed to this measure in principle, but they see some practical problems, particularly as a division 6 fine will apply if something goes wrong. I know this provision is included to assist in those cases where things might go wrong, but there are some very practical problems for the people who are employed on an urgent day-to-day basis.

The Hon. R.J. GREGORY: I am pleased the member for Bragg has raised this matter, because it is a very real problem for those people who are employed under this type of arrangement. It is important that you know who your employer is. For example, a nurse might be told to go to the Hutt Street hospital. Who is their employer? It is not the Hutt Street hospital: it is a corporation. First, the worker needs to know who their employer is; it is an important thing that one would need to know. If a worker is simply told to go to the Hutt Street hospital without being told who their employer is, it is a fundamental denial of their rights, particularly if later on there is a claim.

The member for Bragg knows that, if you do not use the right names when lodging a claim, it is declared invalid. So, that is one thing you need to know, and it is a major protection. I have worked in industry and I have represented workers, and I know that many people work for employers who have a place of employment—an office—yet those workers sometimes never go near it. They work all over the metropolitan area or in one particular place; they go where the employer sends them. Information in respect of taxation, insurance and so on is necessary. As you would know, Mr Chairman, superannuation is necessary today, and people need to know about that, because it affects their ability to live in comfort when they retire.

I refer to the example of the member for Bragg. If an employment agency operated in such a way that it could not supply this information, there would be something wrong. I would say it was inefficient and not long for this world as a business. In most businesses today technology has advanced the transfer of information between people. I should imagine that, if the member for Bragg were operating an employment agency, as part of his office equipment he would have a computer on which he stored all the information about the employers to whom he supplied labour.

If the XYZ Hospital Pty Ltd telephoned the member for Bragg's agency and, if he is as good at typing as I am (that is, he can use two fingers and search and destroy a keyboard), he would type in XYZ and, for example, Mary McGregor and the fact that she would be working there for two days, and so on. All the information would be there on his computer. He would know in advance how the superannuation would be paid, how the wages would be paid and the working hours. He would then telephone Mary McGregor and say, 'I want you to report to XYZ hospital; when you get there, there will be a piece of paper for you setting out all the conditions of your employment.' The member for Bragg would then press a button on his computer and print out all this information and then fax it to the hospital for her to pick up on her arrival. If the member for Bragg were operating an employment agency such as that and he kept up with technology and business information, he would be assured of a long life. If he were operating the other way around where he not could not do all those things, he would not be long for the business world.

Mr INGERSON: I accept some of the comments made by the Minister. I accept that the technology changes are important, and they have made some distinct advancements. This occurs on many occasions, and that is why I have raised this matter and the practicality of it. None of the agents is saying that they should not provide the information; what they are saying is that they cannot provide it in all instances prior to the worker going to their place of employment. That is the point they are making. They are not saying that it should not be done. If a person is employed in this way once a week, an agency ought to be required, if that is what the Minister wants, to send out a report to these workers, so that, if a claim is to be made on workers compensation, insurance or whatever, they have all the relevant information. There is no argument about that.

No-one is arguing that it should not be done; they are saying that there is a practical problem in respect of emergency cases. In some of these agencies, particularly those involved in the health area, it really is an emergency exercise in that they do not expect you to turn up to work 21h hours after you have been telephoned—they want you there as soon as possible. The employment ethic in a hospital dictates that they must have a replacement almost immediately. The expectation is that the replacement be there in a reasonable period, which is probably within an hour.

The maximum division 6 fine is $4 000, which is quite hefty. I am not saying that it should not be there; I am saying that it is a very hefty fine for something that could be described as impractical. I know that in all these cases you could go to court and defend your actions by arguing that it was only a casual vacancy, and so on, but that is another cost. This matter will be further considered in another place. We agree that it should be required, but we believe that it should be within a certain time, and I would suggest that a week is a fairly reasonable period.

The Hon. R.J. GREGORY: I draw the member for Bragg's attention to the clause before the Committee, and I will go through it with him so there is no

misunderstanding about the intention. Clause 20(4) provides:

Where an employment agent procures employment for a person, the employment agent must ensure that that person is given (for retention by the person) a statement in the prescribed form containing the following information:

It lists four conditions, and then provides:

If a preceding provision of this section is not observed, the employment agent is guilty of an offence.

Where does it say 'Prior to commencement of employment'? Where does it say anything about giving it to the employee before he hits the place? It says that the employment agent has to give that information to the person. I described earlier how that could be done by using current information technology.

If the member for Bragg is concerned about a dire emergency—I will again use the example of the Hutt Street Hospital—and no nurses are coming in and we have to get 50 straight away, those 50 nurses would receive that information. If the employment agency did not do that, it would be subject to a Division 6 fine. Why should it not be $6 000? If the information is not supplied, that person is denied access to entitlements later in life. Can one imagine a female worker at 60 years of age trying to assemble all the information about superannuation from a myriad of hospitals and health organisations that may have paid into a fund for her if the employment agency has not given her the information to which she can refer?

We all know that when completing our tax forms we may miss claiming something because we have not kept the receipt or because some people do not issue receipts, and we have to go to extraordinary lengths to get them. We are insisting that the worker is provided with this information in order to secure superannuation and other rights later. I do not see that as an onerous duty. With a good understanding of the English language, we can see that the information does not have to be provided prior to employment, but it must be given. That is very important, and I do not think that anybody in their right mind would say that we should not do that.

Clause passed.

Clauses 21 to 24 passed.

Clause 25—'Liability of agents for acts or omissions of employees, etc.'

Mr INGERSON: This clause seems to be fairly tough on agents. Whilst it says that there is a liability, it does not say what the liability will cost. I accept, being a business owner, that, if my staff make errors or omissions, at the end of the day they will end up on my desk and I am responsible for them. The question is what the liability is and what the Minister understands by this clause.

The Hon. R.J. GREGORY: It would depend greatly on what the omission was.

Clause passed.

Remaining clauses (26 to 31) and title passed.

The Hon. R.J. GREGORY (Minister of Labour Relations and Occupational Health and Safety): I move:

That this Bill be now read a third time.

I thank the member for Bragg for his cooperation in this matter.

Bill read a third time and passed.

STATUTES AMENDMENT (FISHERIES) BILL

The Hon. R.J. GREGORY (Minister of Labour Relations and Occupational Health and Safety): I move:

That the sitting of the House be continued during the conference with the Legislative Council on the Bill.

Motion carried.

OCCUPATIONAL HEALTH, SAFETY AND WELFARE (REGISTRATION FEES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 25 March. Page 2634.)

Mr INGERSON (Bragg): This Bill does a general back flip. We had a registration fee proposal in relation to occupational health, safety and welfare some time ago when we went to a system which introduced an average levy concept in relation to the workers compensation levy, and now we are back where we started with a prescribed fee. This change has been introduced because there has been some difficulty with the setting of the fee on a percentage basis and, more importantly, I suspect, because not enough money is being collected under the percentage fee method to enable the Government to deliver occupational health, safety and welfare legislation changes through the commission and the requirement set by the Government for the inspectorate to carry out certain obligations under the Act.

The reduction in the average levy as it relates to WorkCover is a significant and important change for the business community, but it has its effects. I note that the tripartite Occupational Health, Safety and Welfare Committee, by majority vote, recommended that the calculation of this fee should be modified. I understand that at that tripartite committee the employers argued very strongly that, as there had been significant changes in occupational health, safety and welfare in the workplace, particularly with the reduction in accidents, illnesses and so forth, there should be a corresponding reduction in the amount collected to support monitoring and codification in this area. The committee did not support that, but the employers clearly pointed out to me that that was their concern.

Under the Bill, WorkCover has been delegated to collect this extra fee from all employers who are registered under the Workers Rehabilitation and Compensation Act. The Bill sets out the principles that WorkCover must adopt in calculating the fee. Unfortunately, it does not, in my view, set out enough detail to enable us properly to appreciate whether there will be significant changes for employers. The Bill states that there will not be any significant changes; those who have good work practices will continue to be supported by this prescribed fee principle. However, as there is not sufficient detail here, we are unable to check it, and that is unfortunate.

That happens many times in this Parliament. We get a comment of intent (which I am not saying is not accurate) that we are not able to validate. I think that practice should stop. We should have the formulas which will be used in changing this prescribed fee. If we do not have the formulas, the Government should not bring in the Bill and expect the changes to take place. Under this proposal the Government through this average levy will raise $3.349 million in 1992-93. Under its principle of saying that occupational health and safety is a very important issue, it believes that that fee should be increased by inflation, and that has been guessed at 1.7 per cent next year. It is saying that this prescribed fee will be calculated knowing that there will be a certain sum of money required in this area.

The employers argue that that is an unrealistic approach to take, and we believe that there must be a better way of doing it because, if this form is used, we are saying that what is being done in the Government department in this area is 100 per cent right; we are assuming that the way in which the money is spent is totally acceptable and that everything is 100 per cent efficient. I do not accept that, but I do accept that there is a need for a significant sum to be put into the occupational health and safety area.

The method by which the calculation of this sum is made encompasses too many assumptions of perfection, and that is the area that the Opposition and the employers are concerned about. According to the Bill, it is the Government's view that the current system of a commission and the inspectorate is administratively efficient. I do not have that view and, consequently, I believe that, whilst this sum of money is not large, we could question whether it will achieve the anticipated results.

There has been an important improvement, and I acknowledge that. Some of the changes that have been implemented by the Government have enabled that improvement. I recognise that there have been some very important changes in occupational health and safety, which I would hope everyone in this Parliament would support. I do not know that there is anyone who would not say that accidents in workplaces should be anything other than a casual instance: an accident should not be seen as something that just happens because of a particular workplace. Our support for a good occupational health and safety program is critical to future workplace progress.

As I said, industry generally is opposed to this change. I have consulted with some 25 associations, 20 of which oppose this change and the other four not being very happy with it. I think that is because I am unable, and I suspect the Minister is unable, to say, 'This is the change that is going to occur. You will get X dollars under your prescribed fee and you have Y dollars under the average fee.' I accept that that will occur once the Bills are set out, but many people in industry do not always believe that what goes through Parliament will be the end result. As I said earlier, it is a pity that some examples were not included to show how the formula is to work. I accept that it is to be geared on these principles, but we have seen instances in the past where the principles and the final result have not ended up being one and the same thing.

The industry has argued, as I said, that the level of accidents, diseases and claims generally in the workers compensation area is reducing at present. It argues that, if that is the case, the cost of occupational health and safety ought to reflect that reduction. That is an argument that I do not necessarily support, but it is an argument that has been put to me and that I highlight it as part of this debate.

The industry still sees this whole area as a tax, and I think Governments now and in the future have to sell to the industry the concept that occupational health and safety codes, administration and the inspectorate should not be considered as a tax but as an essential part of the industry's future. There is no doubt that any Government-based cost to business, at present in particular, is being seen as another tax. I think we can read into that the reason why the industry believes that, if the level of claims is reducing, if occupational health and safety practices are improving, charges should also be reduced. Whilst some individuals may benefit, the overall cost to the community in the industry sense is not coming down. Because the Government has said, 'We will index this up', many people in industry are saying, 'That is unrealistic and should not be occurring.'

The Opposition supports the Bill. We are concerned, however, that it encompasses an automatic inflation figure and that that is accepted as the correct principle. On the contrary, if it is to be increased, there should be justification: the Government should not simply say, 'We will increase it by inflation.' The Opposition supports the Bill.

The Hon. R.J. GREGORY (Minister of Labour Relations and Occupational Health and Safety): I thank the honourable member for his support and I want to go through some of the comments he made. At the time we were having discussions with the employers about this amendment, I made the offer that we could go back to how it used to be done. They were not too keen on that. I think we need to traverse that point before we move further into the debate.

The member for Bragg might recall that, prior to the establishment of WorkCover, about 20 000 employers were registered with the Department of Labour. They paid an initial fee as well as about $4 per person employed in their place of employment. When WorkCover came into operation, more than 50 000 employers registered themselves as employers. It was very difficult to reconcile the 20 000 registered with the Department of Labour and the 50 000 registered with WorkCover. There was some discussion about that, and over a short period the number of employers registered with the department increased to about 30 000—still about 40 per cent short.

We then reasoned that it would be better for the employing community if employers did not have to fill out this registration form and forward it to the Department of Labour each year; the department would then have no need for a group of clerical officers who received all these documents during the year, sent back receipts, banked money and entered up the records. It was proposed that it would be far more convenient if the employers made the payment, as they do monthly, to WorkCover.

Members should consider the advantage to the employers: they could make the payment on registration fees in 12 equal amounts. In the past, they paid one amount in advance: they now pay 12 equal amounts in arrears. I would have thought the employers would be pleased with that approach. I would have thought they would be pleased not to complete another series of forms. I suggest that the employer associations, sitting in their ivory towers, are not quite aware of what happens in the workplace.

We then found that there were not really 50 000 employers in South Australia: a considerable number of people who were not employers had registered themselves on the basis that they might be employers in the future. We were able to overcome that.

This proposal was a deliberate intention on the part of the Government. A suggestion was made on this matter by the member for Mitcham when he was the Opposition spokesman on industrial matters. When we discussed how this would be done, there was considerable debate within the employment community as to the method. As you know, Mr Speaker, there is some bias for manufacturing industry in the WorkCover levy and, as this was to be a percentage of the levy, the manufacturing industry would be better off and some other industries would he worse off. In effect, we took an average and we came up with what I thought was the appropriate way to set a fee.

Because of the actions of the Government and decisions taken by this House and because of the improvement in the operations of the WorkCover organisation itself—because of a whole number of reasons—we have seen a phenomenon in the industry and in the workplace. Against the trend, we have seen a drop in the number of reported injuries, significantly greater than has occurred both in the eastern States and in the world trend. The average levy has reduced from 3.8 per cent to 2.6 per cent, to apply from 1 July this year. The reason for this Bill is to take that into account.

To suggest that we should reduce our effort in this area because the level of accidents is reducing is plain stupid. That sort of argument would mean that, because no planes had ever caught fire upon landing at the Adelaide Airport, we did not need fire engines there because they were never used. We ought to be increasing the effort in this area of occupational health and safety. We have been able to achieve a reduction in the number of injuries, so we ought to put more resources into this, thus improving the situation so that fewer people are injured. I would have thought that the employer associations would realise that, for every percentage decrease in the level of injuries in the workplace in South Australia, there is a corresponding, if not greater, increase in productivity in that workplace. The thinking employers know that, and they have some of the lowest injury records recorded in this State. When we go to their workplaces, we can see that happening. They are the ones making money and not the ones grizzling here. It is very important to understand that.

The amount of effort put in by the department in this area has changed over the period of time that I have been the Minister, but it has not increased of late. We must compliment the people whom we took on to handle the manual handling code of practice and regulations for the very significant drop in the number of back injuries, which again has added to the decrease in costs.

The way this amendment to the Bill is framed will again reduce the costs of collecting the money. What we have seen in the changes that have taken place is a reduction in the actual costs of collection. Whilst the money going to the department in real terms has remained about the same, the actual costs of collection have been reduced significantly. I would have thought that would be of benefit to everyone in South Australia. The employers know what is happening within Government with respect to occupational health and safety matters. They are involved on tripartite committees such as WorkCover and the Occupational Health, Safety and Welfare Committee.

The member for Bragg said that this is a tax on business. I suppose it is but, if business were able to regulate itself to the point where injuries in the workplace did not occur, perhaps there would not be a need for this. One only has to look at the historical facts. Before regulations were introduced, there was no concern about the health and safety of people: none whatsoever. One only has to visit the Cheltenham cemetery to see the graves of people who died due to the exploitation of employers and the total lack of regard for safety. One only has to read the records to see that. What we now see is people with all their fingers. I have all my fingers. When there was a reunion of apprentices who started 40 years ago at the railways, we all put up our hands. We had all our fingers, but I remember working with tradesmen who had bits and pieces missing. This is a significant advance. We are not going back to those days.

We will have an effective inspection service. We will have a transfer of funds from the business community towards this measure. We will have a safe workplace. It is becoming safer every day.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Registration of employers.'

Mr INGERSON: I refer to new subsection (8a) of section 67a which proposes that the prescribed amount for each succeeding year will be increased by the rate of inflation. I will cite two letters I have received from employer associations, because they represent the 20-odd that I mentioned earlier. The first is from the Engineering Employers Association, and it states:

> In broad terms we have consistently disagreed with the concept of a workplace registration fee. In our view the situation changed significantly when the old factory registration fee was replaced by the workplace registration fee. It was a concept we argued strongly against. However we were ignored by the Government on this issue and for the past few years employers have paid a percentage on top of their WorkCover levy as a workplace registration fee. The fact is that whilst WorkCover average industry rates were increasing the Department of Labour and Industry had no complaints, as they automatically received increases in revenue from the fee.
>
> This present Bill changes the method by which the workplace registration fee is collected. We are now faced with the scenario of setting a percentage to meet a financial outcome. Consequently as WorkCover rates decline we are going to see an increase in the workplace registration fee to meet an annual

predetermined outcome set by the Department of Labour and Industry. As to how this outcome is structured or the need for such a sum of money is also unknown.

To us the present position does not reflect at all the business approach which is to be taken by industry in times of recession. In short in tough times the industry has to 'cut its cloth' to survive. We have however a position being advocated by the Department of Labour and Industry that the 1993-94 financial year equates to the 1992-93 financial year plus a CPI adjustment.

The reality is that over the last year and probably over the next year our industry in particular has been shrinking. Our recent Engineering Employers Association survey showed a 6 per cent average decline in employment over the past 12 months. If this can be extrapolated to the present issue of workplace registration fees the department is arguing that the same number of inspectors are required to monitor a shrinking employee population. We would argue that in such circumstances the workplace registration fee should not be increased to cover a stable number of inspectors but rather the number of inspectors and subsequently the costs should decline.

While the amount of money involved is relatively small, the association argues that the issue is this principle of a reduction in claims. The second letter is from the South Australian Farmers Federation, and it states:

As all organisations and individuals are reassessing expenditure and operations to manage their businesses in these very difficult times, we would urge the Government to do likewise and not push ahead with proposed increases to the employer registration fee.

The Department of Labour and Industry and Occupational Health and Safety Commission can surely continue the programs and inspectorial functions with existing staff and within existing budgets at a time of reducing employer and employee numbers.

The record shows large numbers of both groups are now not in the workplace. Labour relation inquiries and activities generally must therefore be at an all-time low.

In regards to the Occupational Health and Safety Commission and its workload, the pressure being placed on industry by them could be slowed down and hence take pressure off their budget.

The Occupational Health and Safety Commission program could be and should be reassessed. Industry in this recessionary period needs more time to integrate change into the workplace—quite apart from finding a budget to implement same, and accordingly Government must slow down the process of introducing regulations with a resultant cost saving to all.

This will not be at the expense of employees' safety as currently the duty of care exists and the awareness and attitudinal change is happening albeit assisted by current penalty threats. Given that an employer registration fee will remain and be collected by way of the WorkCover levy mechanism it should not be increased at this time for all of the above reasons.

Conversely Government should be encouraging employers and their associations to undertake programs which are industry led initiations to promote safety in the workplace rather than increasing the inspectorate and creating more and more codes through the Occupational Health and Safety Commission.

In essence, both those letters, which as I said earlier are a representation of all those I received, are saying that in recessionary times the Government should recognise that the costs that it is getting out of the community in this area should be measured by the rise and fall in the economy at the time. I think that their argument is valid and that this clause should be considered from that viewpoint. Whilst this is described as an inflationary increase, will that situation apply after the financial year 1993-94?

The Hon. R.J. GREGORY: I want to respond to some of the misinformation that has been supplied to the Committee by the member for Bragg, when he read out several letters which should have been read out in the second reading debate. His first point was that made by the Engineering Employers Association regarding automatic increases 'on top of' the levy. The Engineering Employers Association did not take into account that, when the change was made to a registration fee with an additional amount for each employee, the average levy rate was then 3.8 per cent, and that was the basis for the fee.

Since then, there have been steady decreases. The department has not been living off increases caused by inflation or rising costs in workers compensation; each time, there has been a decrease. I should imagine that what we have seen in that letter and the letter from the South Australian Farmers Federation is employers' rhetoric. It is not true, and I am sorry about that, because I hold both organisations in high regard, and I think they represent their members admirably. I know the Engineering Employers Association in this State does a particularly good job.

The point I want to make about the bonus and penalty scheme that operates in WorkCover is fundamental: simply that, if employers have an excellent safety record in the particular class of industry in which they work, they pay less. If they have a poor safety record and have incidences above the average for that industry, they pay more, and why should they not? Really, whether or not they pay a high fee is in their hands. The injury rate is dropping for a number of reasons, but we should not then stop our effort because it is dropping. The South Australian Farmers Federation has not changed its approach on this matter, but I put to the Committee that, if anyone wants to be injured, sets out seriously to injure themselves as a worker and wants to pick the industry where they would have the best chance of being injured, they should go and work on a farm, because the average chance of that happening there is 1.5 times greater than anywhere else in Australia. If they want to kill themselves, they have a better chance of doing so if they are employed on a farm. That is the tragic fact of the matter.

There are a number of reasons for that, including the fact that farmers are principally employed by themselves and are low employers of labour, which is why there is a certain resistance in the farming community to occupational safety matters; in some instances, people just do not know. The Government has taken a leading role in educating people in our rural community. I find it personally offensive that these things happen; it distresses me every time it happens. We ought to be providing a secure place of employment everywhere; whether people work on a rural property, in the manufacturing industry, on a commercial property or anywhere else in South Australia, they should be able to work in very safe circumstances. That is why I am very pleased that there is an enormous push for the use of residual current devices in Australia and in this State in particular, because it will mean that possibly half the electrocutions

that take place every year will be eliminated if residual current devices are used.

The letters read by the member for Bragg imply that the number of people in the inspectorate is increasing. Well, it is not: it is actually slightly decreasing. There has not been an increase in numbers. What I can say is that our inspectors are more efficient and more capable than their counterparts in the eastern States, and I will recount two reasons for that. Our people are able to clear up instances in factories in 1.5 to 2.5 visits. In New South Wales it takes between 3.5 and 5.5 visits to do the same thing. When our inspectors were involved in the tri-State blitz on road transport, our inspector—one single person—turned up in Victoria and found a number of inspectors there. He found that they all have different roles and different jobs, all employed by the department and all doing different things. Our officer could do the lot—he was very competent in every aspect—but in Victoria they had to get special people there.

Our people are more efficient. We are utilising inspectors on the basis of one for every 20 000 employees. In New South Wales and Victoria they are operating on the basis of one for every 9 000 to 10 000 employees. Our people are doing it better, with fewer inspectors. The amount raised by this levy does not cover the whole inspectorate; indeed, it does not cover all the work of the commission. If it did, we would raise a lot more than is provided here; it would be in excess of $5 million if that were happening. The employing community as a whole is paying only a portion of the costs of an organisation that is really there to assist them in improving their productivity, if they were just clever enough to understand it. The smart ones already know that. Although the legislation sets out what can happen, every year, if there is to be a change, this matter comes under scrutiny. Employers have representatives of their organisations involved in the Occupational Health, Safety and Welfare Commission and on the board of the WorkCover Corporation.

The CHAIRMAN: Does the Minister realise this is not a second reading speech? We are in Committee.

The Hon. R.J. GREGORY: I realise that, but we had a second reading contribution from the honourable member.

Mr Ingerson interjecting:

The Hon. R.J. GREGORY: You took half an hour to make your contribution.

Mr Ingerson interjecting:

The Hon. R.J. GREGORY: No doubt you will. They have ample opportunity for scrutiny and indeed they do that. One of the strengths of this measure is that the tripartite nature of the organisation involves people so that they know, and that is important. It also means that the levy does not have to be determined by inflation but that each year it comes under scrutiny, whereas previously it did not.

Mr INGERSON: A tripartite committee is excellent if three parties agree, but if one does not the other two tell the third what to do. In the end that is the effect because that is the voting pattern. If you happen to be the losing side you're done! In this instance, as I said in my second reading speech and on advice that I had been given, employers were opposed to this change and got done because they did not have enough representatives on the tripartite committee: they had three and the other side had six, and six beats three every time.

The comment made by the employers is that this fee, whilst it is required to be collected—and they accept that; they do not like it but they accept it—ought to reflect what is happening in the community. Everybody else is being asked to wind down, improve and become more efficient and cost effective, but here we have a department and a commission that says, 'No, we will not do that. We will accept last year's figures as being right and bag an extra 1.7 per cent for inflation on the other end.' That is not efficient; it is built-in inefficiency because there is no prescription there that says that you must be more efficient because you have more money. That is a nonsense way of going about it, and I have said so in many other areas and in many other debates in this place. Building in for inflation is a typical Government cop-out, particularly from this Government.

It was unfortunate that the Minister made the comment about the two associations not necessarily supplying information that was accurate or that their concept was not true. It is my view that, whilst they recognise that they have some people in their industry who may not be playing the game, their comment genuinely represents the majority of people they represent who recognise that you have to have a workplace that is as safe as it is practicable to be.

I do not know anybody who deliberately sets out to create accidents, and any suggestion otherwise is an absolute nonsense. There is a genuine attempt by all employers to have workplaces that are safe. We know that some are not and that the people concerned need extra coercion to bring them into line, but to suggest that these organisations are not genuinely arguing that because accidents, illnesses and compensation claims are coming down there should not also be a commensurate reduction in the inspectorate is unfair and unreasonable. It is logical that that ought to happen. I think that their argument—and I just happened to pick out those two; I could have picked out any group—reflects everybody's view.

I now turn to the question of bonus and penalty. There is no doubt that that system does work in favour of the better employers and against the worst. We could have an argument about whether or not that is fair, but we will not go into that now. The reality is that everybody accepts that if you have a very good accident-free workplace you pay less. It does not necessarily mean that you should, though: it just happens to show that your claims at that particular time are low. That does not necessarily mean that your workplace is any safer than the person's down the road who has had a couple of genuine accidents. That is one of the issues that is not dealt with properly in terms of any financial structure we currently have in place.

It is traditional for this Government to give the farmers a whack around the ears and to say that they have the most deaths and accidents: everybody knows that. The inference is that they are not caring about it or not wanting to do something about it, whereas the reality, in my view, is that the Farmers Federation and other representative bodies are personally concerned about the accident level on farms. Farmers, who are the worst hit group of people in this recession, are as a group

fundamental to and are the foundation for our future recovery. If the farming industry does not survive the nation will not survive. Their argument is that they have to wear the recession and cut back on costs so why should not anybody else who is directly involved in their industry also have to cut back their costs and not automatically build in inflation?

That is a fair and reasonable argument, although I do not expect the Government to take any notice of that, for political reasons. The farmers' argument is reasonable because they have been the hardest hit group in our community. Governments must, in my view, recognise that special things have to be done for the farming industry today and perhaps over the next 10 to 15 years. There is no doubt that the Government has done a good job in the education area—I have never questioned that—but the present argument is not about education. What these people are saying is, 'This cost is going up and there is no justification for it when everyone else has to take a reduction.'

It seems to them that the only reason it is being increased is that due to the improvement in WorkCover claims the collection of fees has decreased and so the Government has had to find another way to get its money. So, instead of saying that it ought to be done on an improved basis it says, 'We need that money. How do we get it from this group of employers?' That is the message it puts across in relation to the farmers and the engineering employers. As I said, I have not singled them out as a group: they reflect the views of all the employers. I request that this matter be looked at again, particularly from the point of view of future amendment.

The Hon. R.J. GREGORY: I am disappointed that the member for Bragg did not hear what I said. I went to great lengths to explain to him why it has happened. There has been a constant reduction of 3.8 per cent to what will be 2.86 per cent on 1 July this year. If the member for Bragg can recall, the collection, when it first began, was .64 per cent and, with the reductions in WorkCover costs, it went to .84 per cent. What are we arguing about? We are arguing about an increase of .026 per cent, or $260 for every $1 million of payroll.

Is the member for Bragg seriously suggesting to me that all members of the farming community in South Australia who pay more than $1 million a year in payroll tax cannot afford the $260? Just because you win one premiership you do not sit back in the club boozing and carrying on, living on that memory forever. What you do is plan to win the next one the following year. That is why Port Adelaide wins so many.

What is happening stems from the fact that some good work is being done, and the employing community is saying, 'Look how good we are. We don't have to do any more.' Let us take some examples of leaders in this area. The Du Pont organisation is one that ought to be considered. In the early, formative part of that company it had a very serious accident in which three people died, and its board made a conscious decision that from that time forward safety would be the preoccupation of that company and its manufacturing process, and then it would sell its products, make its money and survive.

That company operates over 10 plants throughout the world that employ over 1 000 people, and for 10 years it has not had a lost time accident. If the member for Bragg could say, 'We have employers in South Australia who are operating plants with 1 000 people and who have not had a lost time accident for 10 years, perhaps we ought to do something about this', I would say, 'Right, I'll listen to you.' But the member for Bragg cannot say that because I know that, despite all the work the good employers in South Australia do, I know of only one who has been able to achieve 1 million hours of employment without a lost time accident, and I know of several others who have achieved over 500 000 hours without a lost time accident. They do not have walking wounded: they have proper safety programs. So, we do not have here a nirvana where people are not getting injured. We are on the way, but we have a long way to go and we cannot relax. The member for the Bragg and the employment community has missed the fact that, every time an accident is prevented, every time work is put into reducing accidents, the productivity and the profits of the employers increase.

Mr INGERSON: This whole argument is not about whether the Government is carrying out its role in leading occupational health and safety (and I would have said it has done an excellent job): it is about efficiency and principle. Yesterday, the Premier stood up and said we must be more efficient, have proper guidelines and make sure that we run our Government business exactly the same as that of the people whom we service. The service providers say that they are not setting their costs at the inflation rate, even though they increase automatically in line with inflation. They agree that safety must be a prime factor in the cost of running their business and they do that as well as they possibly can. All they are saying to me, and consequently to the Minister through you, Mr Chairman, is that that ought to be done by the Government as well using the same criteria. An automatic inflationary increase is not the way to do it.

The Minister mentioned Du Pont. One of the fantastic things about Du Pont is that many other companies are picking up its practices. I understand that the refinery down south has picked up and implemented Du Pont's safety practices and that it has been very successful. There is no question that safety and proper practices ought to be the highest priority of business-that is not even an issue. What is an issue is this argument of efficiency and principle. It does not appear as though the Minister is prepared to shift, so I just ask him again to reconsider and give me an answer.

The Hon. R.J. GREGORY: The answer is, 'No', and I point out for the benefit of the member for Bragg that, in all the years since this legislation has been enacted, the fee has been subject to parliamentary disallowance. If the member for Bragg wants to get his mob in the Upper House to move for disallowance of the fee, he can do that. However, if that occurred it would starve a sector of our community of funds that provide very fundamental safety practices for our people in South Australia.

Given the logical extension of the argument that he has just put forward, why has his Leader, the Hon. Dean Brown, his Deputy Leader, the Leader in the Upper House and the shadow Attorney-General not been arguing for a reduction in effort in road safety, because the number of deaths on our roads is decreasing? If he

followed the logic of his argument, that is what he would argue. The Opposition is not doing that: it wants more police resources, breathalysers and speed cameras out there to ensure that the average speeds drop so that the incidence of accidents decreases. If he were to adopt the same attitude to industrial accidents as he does to road accidents, the member for Bragg would be calling for increased expenditure; he would not be calling for reduced expenditure. It just shows the hypocrisy of the Opposition's argument.

Clause passed.

Title passed.

Bill read a third time and passed.

OCCUPATIONAL HEALTH, SAFETY AND WELFARE (PLANT) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 20 April. Page 2894.)

Mr INGERSON (Bragg): The Opposition supports the Bill. We note that it results from an agreement at the Premiers Conference that national uniformity, in particular health and safety standards, should be introduced by December 1993. In principle, we support that concept. Obviously, there will be some areas in which we will agree and others where we will disagree with regard to what happens in other States. It makes sense to have consistent occupational health and safety standards right across the nation. The Minister would be aware of the example of the gas fields where three different sets of standards apply to people, depending on whether they are in New South Wales, Queensland or South Australia. That is quite ridiculous.

One important part of the Bill is the extension of the control of inspection of plants from just workplaces virtually into the whole community. Obviously, that is done for a specific reason: there are certain areas where plant and equipment can be used and the definition of 'workplace' does not apply. We recognise that to bring it under the one Act is the most sensible thing to do, and as a consequence of that several other Acts must be repealed. That is an excellent idea, because the more legislation we can get under the one measure the easier it is for everyone in the community to understand their responsibilities. More importantly, it makes clear to everybody what they must do.

The definition of 'plant' is covered in the interpretation clause. It is a broad definition and does bring to light some matters that we need to take up with the Minister in the Committee stage. If we remove 'workplace' it seems to me we will cover the whole community, and we need to have that matter clarified. As I said, hopefully the safety standards will be introduced right across the nation by December. The changes which were recommended at the Ministers of Labour conference in 1992 will give some consistency to all industries, as I have mentioned, and particularly as the coverage relates to plants.

One of the concerns is that many definitions will be prescribed by regulation. As I have said many times in this place, it will be much easier if we can have definitions prescribed more clearly in legislation. We can then argue about it here and will not have to go through the secondary process of bringing it before the Parliament via the Legislative Review Committee.

Specific mention was made in the second reading explanation that it is not intended to extend the coverage beyond the existing plant legislation in this State. As I mentioned earlier, the definition of 'plant' creates some problems in this area. I have been asked whether it covers the use of plant supplied in the home. There are occasions when some of this equipment may be used in the home, and the question really is whether it will be covered by this legislation.

The Bill proposes amendments to the relevant duty of care requirements and allows inspectors under the Occupational Health, Safety and Welfare Act to implement the provisions. I think that is an important change. Generally we support any legislation to bring us into line with a national concept. In the area of safety, if it is possible to achieve national standards, that is in the best interests of all. I said that in principle I agree with that, because there are some instances where at State level we do things better than other States. I point out that in accepting that principle we should not in any way come down to a level which we think is lower than in our own State. We have set some very important changes in codes of practice, many of which have taken a long time to be accepted by the community, and we should not now step backwards and allow standards which may be lower in other States to take over. In principle the Opposition supports this Bill and has no further comment to make.

The Hon. R.J. GREGORY (Minister of Labour Relations and Occupational Health and Safety): I appreciate the support of the member for Bragg in relation to this matter. I appreciate the Opposition's support for this Government's drive to achieve uniformity in occupational health, safety and welfare standards throughout Australia. I can assure the honourable member that many of our standards and methods are better than those in other States. The office of the Occupational Health, Safety and Welfare Commission has been instrumental in this drive for national uniformity and has taken a leading part in it. I thank him for paying a tribute to our officers who, whilst being only a small unit, on a per capita basis out perform any other units in Australia. I thank him for that because I am sure that those officers appreciate the accolade that he has placed upon them. I also appreciate it because I know that they do a lot of very hard and effective work. It is rare for politicians to praise public servants, but on this occasion I appreciate it.

Bill read a second time. In

Committee.

Clauses 1 to 3 passed.

Clause 4—'Interpretation.'

Mr INGERSON: Concern has been expressed to me about the definition of 'plant' which, in paragraph (a), includes 'any machinery, equipment, appliance, implement or tool'. It has been suggested that many appliances in the home may now be picked up under this legislation. As I said during the second reading debate, the clear intention of the Minister is not to extend the definition any further than it presently goes, but it seems

to widen it in such a way as to involve the use of appliances in the home.

The Hon. R.J. GREGORY: I draw the attention of the member for Bragg to the second schedule on page 5 where 'appliance' is defined. I think that clears up that misunderstanding. I advise the Committee that all definitions of 'plant' in each jurisdiction are very similar. With regard to the addition of paragraph (b), I point out that the same approach was taken in Queensland. I would not think that many boilers, cranes and so on, are used in the home. If they were, the people purchasing those products would want to know that they were manufactured and installed to a certain standard because they would then know that they were safe.

I should like to describe what happened to me a number of years ago. I got on a suction bridge operating in the Port River and was horrified to find a huge geared wheel, at least 10 ft to 12 ft in diameter, without any guarding around it whatsoever. I was told by the owner, much to my disgust, that there was no need for any guarding because no regulations covered it at all. One of the problems is that the Occupational Health, Safety and Welfare Act covers only about 38 per cent of employees. We need to ensure that regulations and codes of practice are specific. It seems stupid to have a regulation that provides for a particular safety requirement and then repeats it in a whole number of codes and other Acts. We are doing away with a couple of Acts; we are extending this legislation to encompass those Acts. In that way we are ensuring that all people who use the plant and equipment described in this legislation know that they are dealing with gear that is safe.

Clause passed.

Clauses 5 to 15 passed.

Clause 16—'Substitution of second schedule.'

Mr INGERSON: I referred earlier to the definition of 'plant', and the Minister referred me to the second schedule. 'Pressure equipment' is defined as follows:

(a) any boiler, being a vessel, or an arrangement of vessels and inter-connecting parts, in which steam or other vapour is generated, or water or other liquid is heated at a pressure greater than atmospheric pressure by the use of fire, the products of combustion, electrical power or other similar

means—

I should have thought that a pressure cooker in the home, in essence, would come under that description. I ask the Minister for clarification. I think that is the instance that people were arguing about.

The Hon. R.J. GREGORY: With regard to pressure cookers, I should have thought that with the introduction of microwaves they are not required anyway, because microwave cooking achieves the same result. What will happen is that pressure cookers in the home will be excluded by regulation. But let us make quite clear that, if somebody in the dentist's surgery or indeed the pharmacy wants to use a pressure cooker to use the heat and steam to sterilise equipment, that will have to come within the regulations. We cannot have that sort of thing blowing up.

Clause passed.

Remaining clauses (17 to 19) and title passed.

Bill read a third time and passed.

PUBLIC CORPORATIONS BILL

Adjourned debate on second reading.

(Continued from 1 April. Page 2872.)

Mr S.J. BAKER (Deputy Leader of the Opposition): The Opposition is favourably disposed towards the Bill, although, having read the second reading explanation, one can only assume it has been introduced for political purposes and not for any other reason. I say that politics is involved because most of the legislation that is introduced is motivated by a need for change and does not have a political connotation or positioning in the political market place. Indeed, the Public Corporations Bill should be one such Bill. In this circumstance, that is not the case.

The paranoia of the State Bank creeps through and, of course, this should have nothing to do with State banks at all: it should have to do with the business of Government. I will refer to the State Bank later, but I point out that the reason for the Bill being 'the State Bank Bill' was particularly mindless, given the changes taking place in every State of Australia at the moment and the demand by State Governments to be more accountable, to be more market oriented and to ensure that their public trading enterprises operate efficiently. That should be the reason for this Bill, not some preoccupation with the mistakes of the past.

I know that the Premier of the State will say, 'Look, we fixed all the past problems; we fixed the budget and the State Bank situation will never occur again because we have a Public Corporations Bill.' What absolute rubbish! The reasons given for the introduction of the Bill are second rate. We should be concentrating on why we need a Public Corporations Bill, and the reasons are numerous.

I will list a number of reasons why I believe it is important for public trading enterprises—those which have an interface with the public, which charge a fee for their services and which are deemed to be providing a service that in many cases could conceivably be provided by the private sector, although in this case it is provided by the public sector—to be brought into a corporate framework.

The first is that public trading enterprises should be more market oriented and should understand the responsibilities in relation to the market place. Secondly—and this reason is encompassed by the Bill in relation to the second reading explanation in terms of the State Bank—duties and responsibilities of directors should be brought into line with Federal corporations laws, although this Bill does not achieve that. Thirdly, corporatisation—to make a statutory entity a public corporation—is a means of giving a clear focus and charter to that enterprise. The fourth reason is that the process allows for the capacity to gather expertise from outside sources, non-government related, to provide areas of intelligence and understanding that might be missing from the public entity.

Fifthly, it provides the opportunity to break the bureaucratic control and intransigence that exists within many of our statutory authorities. Sixthly, many of the organisational structures are archaic, having grown without a sense of direction; if organisations are given a

clear charter and focus, they must reassess whether their organisational structures are appropriate to meet the challenge. Seventhly, the process provides for review of the role of tshe enterprise; we can check to see whether all the functions that are being performed by that enterprise are appropriate, whether they can be done differently, and whether they can be taken up by the private sector rather than remaining in public hands.

The eighth reason is that the process provides a means of sharpening the focus as to the need to give good quality service at a competitive price. That is one of the more important reasons for changing an authority into a public corporation. In essence, we should be saying, 'Whatever Government delivers, there are two essential elements: one is that the quality of the service has to improve on what is provided today; and the second is that the service has to be at the right price.' The right price means that they have to be competitive; that our electricity charges have to be competitive with those of our interstate counterparts; that our engineering and water supply charges have to be competitive with those of our interstate counterparts; and that our water has to be of good quality. We could consider every service that is provided, whether by the STA, E&WS, ETSA, the Health Commission and other areas of Government, and we could say that there is an outstanding need in many areas to improve the quality of the service and to do it at the right price.

The ninth reason for the process is to bring about a change in accounting practices. What we have in Government is, basically, cash accounting. I believe that cash accounting is an appropriate means, but we also must have referral to accrual accounting so that we ensure that we fully cost the provision of services, unlike the situation at present, where organisations can build up massive liabilities without being brought to account or to notice. The tenth reason is to make the organisations far more competitive; we must make them get off their backsides, get out there and do it well. They are the 10 reasons that I have listed as reasons for our going through the process of changing statutory authorities into public corporations.

I refer back to the pathetic attempt by the Minister, and prior to that the attempt by the Attorney-General of this State, to suggest that the Public Corporations Bill is none of these things. He does not want to achieve any of these things: what he wants to do is to achieve a blockage in the system or some change in the system so that we do not have another State Bank debacle. I refer members to the contributions of the Hons Trevor Griffin and Legh Davis in another place, which quite clearly refute the value of this exercise in relation to the State Bank, SGIC, SATCO and some of the other debacles that this State has faced because of mismanagement by Government.

Let us start with a Public Corporations Bill that is being put forward for the right reasons. There may be more than the 10 reasons I have mentioned, but there are at least 10 reasons that can be cited as good reasons to have a Public Corporations Bill, not the rubbish we have seen in the second reading explanation. I note that the Minister is not present in the House, and I am unaware how he will handle this Bill, but I hope he does appear at some stage to respond.

As I said, the allegations made in the second reading explanation are completely false, and I would commend those readers of *Hansard* to reflect on the two contributions made by my colleagues in another place as to the complete lack of control exercised by the Government in relation to the State Bank, SGIC, SATCO, Beneficial Finance, and the list goes on.

Whilst I have reservations about the apparent motivations for introduction of the Bill—because it is not consistent with practices occurring interstate—nevertheless, I will address the Bill on its merits. For example, I suppose it is interesting to note that the main reason this Bill was introduced, according to the second reading explanation, was to prevent a repetition of the State Bank debacle. Everyone in this House knows that the Royal Commissioner is yet to bring down his final report on the State Bank. In that report will be a number of recommendations relating to the need for legislative control, so the Attorney-General of this State has said, 'We have to show the people out there that we are up with the game, that we will stop these practices and that we will not have another Bannon Government that destroys the economy and finance of this State. We will not allow that to occur. This is what we will put in its place.' They are the reasons included in the second reading explanation, but the Royal Commissioner is yet to report on that matter. One must question again the reasons why this Bill is being brought forward, if that happens to be the central theme.

I recommend that members look at the New South Wales legislation as some form of role model which is being used in other States in relation to corporatisation. Whilst corporatisation is absolutely appropriate—and the Liberal Party in government would be going along the lines of corporatisation—there are some concerns about the way this Bill has been drawn up. I will mention a number of areas that have been highlighted by the Australian Institute of Company Directors, for example.

One observation is that we cannot allow a competitive organisation to be directed and controlled by Government. Somehow we must have that arm's length approach which will enable the organisation to take initiatives on its own behalf and to operate in a commercial fashion on its own behalf while at the same time we protect the interests of the shareholders—in this case, the taxpayers of South Australia—and those people are represented by the Government in these circumstances. We have to be clear about our focus. We have to be clear about what we are trying to achieve. But it is an anomaly to say that, on the one hand, we will set up a public corporation which will increase the efficiency of that authority but, on the other hand, we place the dead hand of Government. There is a compromise situation; there is a way of doing it, and I do not believe it has been achieved in this Bill, and neither does the Institute of Company Directors.

Another area of conflict which has been mentioned by the institute relates to the duties and liabilities of boards and directors. One of the obligations of the board is listed as to protect the interests of the Crown. It is a vague notion, as pointed out by the institute, and the question is asked: does this mean the Crown generally or the Crown simply in relation to this public corporation's activity? Might it mean that the directors of the public

corporation are required to have their corporation act in a way that is detrimental to the interests of their own body in favour of the wider interests of the Crown? Further, what are the interests of the Crown? Again, there is the principle of competition. Where do the rights of the Crown intercede on the capacity of a body to perform in the public marketplace?

I will use the State Bank as an adequate example. We saw direction from behind closed doors of the State Bank in the allowing of non-sustainable growth. For example, we know that directions were given to that body on three occasions to fiddle the home loan interest rates to reduce a political problem. That was not in the interests of the Crown but it happened to be in the interests of the ALP. We would presume that the ALP would see itself and the Crown as being the same entity. Importantly, directions were given to the State Bank to produce a large slice of profits, which were inflated by accounting measures and which were not real profits; a large proportion of that sum was declared as profit and put into the 1989 State budget to allow the Premier to make promises he could not keep into the future. There was interference in that process as well. There were a number of other interferences on behalf of the Government. So, the questions remain: what are the interests of the Crown; what are the interests of the corporation; and what are the interests of the taxpayers, who must ultimately benefit from the process of active competition?

In another area, the institute notes the standards of directors' care laid down in the Bill. The observation is made that, instead of adopting a formulation of the duty as laid down in the Corporations Law, those drafting the Public Corporations Bill have attempted their own definition, requiring a director of a public corporation to take all reasonable steps within the process of the board to ensure the board has discharged its duties under this part. Fortunately, that has been taken out, but it was the original provision in the Bill under which all directors would be liable for the actions of a fellow director. There are other references to that matter.

If we are to change the legislation or introduce new legislation, we should ensure that there is compatibility with Federal laws. There should be compatibility if we are embarking on this venture, because we are talking about putting South Australian statutory authorities into the marketplace, presumably operating under the same rules and laws that prevail for other like organisations. I know that the Government has announced that the State Bank will voluntarily adhere to the Reserve Bank rules, and I know that SGIC will voluntarily adhere to the insurance laws of this country, yet in this legislation, for example, we have a departure from the standards that are laid down in the corporations law of this country.

I find other references where there seems to be some incompatibility with the interests of the public, the interests of the Crown and the prevailing Federal laws. It is suggested that there is an obligation on an individual director to advise the corporation's Minister of any matter of which the Minister has not been advised by the board. Again, there have been some modifications of that. However, all these unusual words came into the legislation for reasons which I think escape us all and which have never been fully explained. There is still a responsibility that goes beyond the Federal provisions in relation to directors actively seeking to obtain sufficient information and advice on all matters to be decided by the board. That is not in the Federal law; it is something we would wish on all directors and we should appoint directors accordingly. We should not put it in the legislation.

The Institute of Directors makes the observation that there is a danger in trying to prescribe duties in legislative form in circumstances where the courts are quite capable of judging the appropriate standards of care required of directors in accordance with time-honoured formulas, and that relates to the requirements for due diligence. Another observation is made in regard to the clause providing for responsibility, which creates a criminal offence whenever a director of a public corporation is culpably negligent in the performance of his or her functions. I would like to explore that a little more in the Committee stage, because I do not believe that that concept is compatible with the due diligence requirements of the legislation. I will go into that in more detail when I get to that clause.

The conflict of interest provision is interesting, wherein it provides that, where such a conflict occurs, the person cannot be present at that meeting at all. So, if a director of one of these public corporations sees a matter on the agenda concerning which he or she has a conflict of interest, that person is precluded from being at the whole meeting. I might add that there are probably good reasons for this, having seen the antics of SGIC, where the board actually discussed a matter and the individual concerned said, 'I have an interest in this matter,' and walked out of the room for that item, knowing well that the matter had been canvassed by the Chief Executive Officer of that organisation well before the event.

We have had a number of examples involving Mr Gerschwitz and Mr Kean, where Mr Kean somehow managed to get SGIC to buy property, a motor car and a number of other items from him but, when those decisions were made, he said, 'I was not party to those decisions. I either pulled back my chair or left the room.' The fact is that he had canvassed all those matters with Mr Gerschwitz beforehand, and we saw some unconscionable practices occur. Those unconscionable practices were not prevented by his not involving himself in that decision at the time, because it was all stitched up beforehand.

Again, this is inconsistent with the way in which the corporations law operates. If there is a conflict of interest, it has to be declared; it is then up to the board to determine how that conflict of interest shall be dealt with. On many occasions, if it is a very minor matter, that person will just draw back his or her chair and not participate in the debate. On other occasions, that person may be required to leave the room. If there were 10 items on the agenda and one affected a particular person, I would find it highly unusual if the person were prevented from contributing to the whole meeting.

The potential civil liabilities of a director of a public corporation are similar to those imposed upon directors of private sector organisations under the corporations law. According to the Institute of Directors, this demonstrates the objectives of the Government in seeking to place public sector directorships on the same footing

as private sector directorships. There are anomalies there. The Government seems to want to walk along that private line but keeps pulling back. In some issues there is consistency in this regard but in others it is totally inconsistent with the aim to provide more competitive and more efficient organisations.

The comment made by the Institute of Directors is that public sector directorships are often poorly paid and that Governments often make inappropriate appointments to suit the political agenda, but anyone so appointed must now recognise that they face potential civil liabilities commensurate with or greater than those currently imposed on private sector directors. I think the observation is being made that we have to make some decisions on this matter. If we pay people poorly, they should not face the massive number of penalties inherent in this piece of legislation. We have difficulty in getting the right sort of expertise on boards. We can rely on people providing a public service, which was the way in which people were asked to participate in the past. Governments said, 'Who do we need on the board? Who will make a contribution? The pay is no good but there is an element of public service involved it it.' We received very strong private sector representation on the board as a result of the plea for public service experience—a plea for a person to participate in this element of public life and make a contribution beyond their own enterprise.

This Bill brings the responsibilities of directors up to private sector standards, but at the same time we are attempting to get onto these boards and authorities people of worth who can make some dramatic contributions to the future of this State. When a heavy stick is being wielded, the question has to be asked whether indeed the pay will be commensurate with the pain, should things go wrong. The Institute of Directors also suggests that the immunity that is provided in the Act in relation to directors is somewhat illusory.

So, we have a difficulty, and we have to make up our minds. If we float a company on the share market, obviously, it has to be covered by the same rules as is any other corporation listed on the stock exchange. However, if we have public corporations that are somewhere half way, we have to determine what we will achieve and how we will achieve it. There is an answer, namely, giving appropriate immunity, and the suggestion is that appropriate immunity is not provided in this Bill.

It is a very difficult and vexed question, and I cannot offer a foolproof solution, just as I suspect no other member can. One of the other areas that was obviously going to be commented on was the right of the Government to determine dividend policy. Previously I mentioned the dividends paid by the State Bank, and one could also mention the dividends paid by SGIC to the Government. One could talk about the tax collections on profits which were not actually earned but were created under dubious accounting methods and upon which dividends were computed. There is a danger—and the danger was there previously—that the Government will use them as a milch cow. We have seen that with the Electricity Trust of South Australia, where a very minor capital borrowing by ETSA from SAFA resulted in a sum having to be repaid every year.

I am a believer in the fact that you should get returns on capital and you should try to maximise those returns, at the same time delivering quality and price for a product which is competitive. That is not consistent with the way the Government approaches its statutory authorities, particularly those that are public trading enterprises where a price is being charged for their goods and services—in the Engineering and Water Supply Department where there has been an attempt to get money back; and in ETSA where an amount of over $100 million was paid in last year through the backdoor. So there is some concern that if one artificially determines dividends and they are not marketplace driven one affects the future health and well-being of an organisation—and we can quote the State Bank and ETSA as two prime examples of that.

Mr Ferguson: There is nothing wrong with ETSA.

Mr S.J. BAKER: I did not say that there was anything wrong with ETSA; I was merely reflecting that consistently over the past four years ETSA has been milked of very large sums of money—and in a very dubious fashion. The facts of life are that private consumers in South Australia now have the highest electricity tariffs of any State in Australia, and one must question whether the milking of ETSA has had something to do with that. Other observations about the Public Corporations Bill have been made by the Institute of Directors, and one includes the inability to remove directors.

A fact of life is that if you are a director of a publicly listed company and you are seen to have failed by the shareholders, your position on the board is immediately at risk. On a number of occasions directors and managing directors who have followed those paths which have led to the detriment of companies have been removed from those boards at the annual general meeting. They may not have done anything culpable and they may not have committed a criminal offence, but the shareholders have seen clearly that those directors have not served their best interests: the shareholders are the ones who have invested their hard-earned money in the company and they have believed that those directors have not carried out their duties in an appropriate fashion. In some cases there have been massive losses and the companies have survived, and in other cases the companies in the longer term have been bankrupted through the poor decisions made by the board.

What is clear, though, is that in the private sector if mistakes are made generally the person responsible, if it is at the board level, does not last very long; and if that person is at a level lower than the board level he lasts even less a time. So there is a sort of cleansing of the system, although sometimes it takes a little longer than we would wish. No such cleansing happens here, because the Government appoints the directors to the board and decides when they should retire. They are appointed for a certain term but under the conditions of their appointment, unless something unusual occurs or unless some offence is involved, it is unlikely that they will be replaced during their term of office—and that means that a person is not subject to the conditions in the marketplace.

It also means that friends of politicians—and in the past we have seen boards which have been filled with Party hacks and followers—irrespective of how ineffectual they are, irrespective of the fact that they are

there as a favour rather than being there for their contribution, will remain on the board. However, in the private sector it is a much more dynamic state of affairs and those who are perceived to have failed will be removed. I will not quote all the examples that have arisen in the past in relation to performances in the State sector but merely again raise the instance of the State Bank.

Mr Ferguson interjecting:

Mr S.J. BAKER: We have had a number of examples in the private sector of where managing directors have been removed. Despite the failings of the State Bank which became evident very early in the piece and the need for change, those changes were never made. The Institute of Directors is merely making the comparison with the dynamic private sector which says that if mistakes are made—and they are going to be made—the person making the mistake shall no longer be part of the board—and they are absolutely ruthless about it.

Mr Holloway interjecting:

Mr S.J. BAKER: As the member for Mitchell says, in some cases they have been a little slower than their shareholders would have wished, particularly when one considers how events have turned out. The point I am making is that directors have responsibilities, and if they fail to carry out those responsibilities the chances of their being thrown off a public sector board are far less than if they were on a private sector board. That is inconsistent with our desire and everybody's desire to see a more efficient and more competitive organisation.

The Public Corporations Bill is a step forward, and it is consistent with changes that are expected and with changes that are taking place in the rest of Australia. It contains a number of anomalies revealing where the Government is confused as to its ultimate objectives, and those anomalies will have to be sorted out over time. For example, we will have to decide whether the next step in the creation of a public corporation is to involve it in even greater exposure to the market. That is something that is being addressed in other jurisdictions and it should quite rightly be considered in the South Australian situation.

Take the State Bank, for example: one of the options must be to consider the floating of that bank to allow it to keep its corporate identity in South Australia and retain its employment base. So, we must consider the Public Corporations Bill as a means—an intermediate means in some cases—of bringing the public body into the private sector, as in the case of the State Bank (and that matter has already been canvassed). Whilst I think that we have taken a step forward and that the principles have been recognised, I acknowledge that there is a need for change and that those changes will evolve over time. The Liberal Party, as the next Government in South Australia, will make those changes and achieve a much greater effect than we are achieving through this Bill. The Opposition supports the Bill.

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

QUESTION TIME

STATE FINANCES

The Hon. DEAN BROWN (Leader of the Opposition): Will the Treasurer say what taxes the Government will increase to fill the unexplained $430 million black hole in his budget projections? The Government has published three year forward estimates of its spending which estimate total net outlays of $4 434 million in 1995-96. However, the Government has not published any estimates of its revenues beyond next financial year, even though the Auditor-General has been urging since 1987 that the Government publish forward revenue estimates and that the New South Wales and Federal Governments do so. The information in the Economic Statement leaves a gap of just over $430 million between estimated revenues, as stated for 1993-94, and estimated spending for 1995-96. Other information in the statement points to declining contributions to the budget from SAFA and reduced Commonwealth revenues and leaves totally unexplained how the Government would generate sufficient revenue to justify its forecast that the recurrent budget will be balanced by June 1996.

The SPEAKER: Order! Before calling on the Treasurer, I point out to the House that questions cannot anticipate debate, and the question very nearly does that. I allow the question, but I ask members to remember that we do have Standing Orders and to take heed of those when they are framing questions.

The Hon. FRANK BLEVINS: The Leader is anticipating not only debate but also the budget. This was not a budget statement: it was an estimate of the forward estimates. They were qualified because at this stage there is no way that you can be precise. After 30 June, we will be able to be far more precise. They are our best estimates, and those estimates are compiled in the way that most Governments throughout Australia compile them.

The Hon. Dean Brown interjecting:

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

The Hon. FRANK BLEVINS: We have to refine them after 30 June, and also after—

Mr S.J. Baker interjecting:

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

The Hon. FRANK BLEVINS: —the Federal budget, because there are significant figures in the Federal budget. That was qualified—

Mr S.J. Baker interjecting:

The SPEAKER: Order! I warn the Deputy Leader.

The Hon. FRANK BLEVINS: Thank you, Sir. That was explained very carefully in the statement, if the statement were read as it ought to have been—

The Hon. Dean Brown interjecting:

The SPEAKER: Order! I warn the Leader.

Dr Armitage interjecting:

The SPEAKER: Order! The member for Adelaide is very close to receiving a warning as well.

The Hon. FRANK BLEVINS: As regards forward estimates of receipts, there is not a commentator in Australia, including the Prime Minister, who does not

say that forward estimates of revenues are worthless. My experience of 10 years in Cabinet certainly confirms that: they are utterly worthless. All you can do, for the benefit of the member for Bragg, who is yet to be warned (I think the Speaker is going along the bench), is make certain assumptions. You can make those assumptions conservatively and expose all your financial estimates and your methodology to the financial press, essentially, and financial institutions such as Standard and Poor and Moody's. That is all any Government can do.

There is absolutely no $400 million black hole in these figures. These figures are the most extensive set of estimates that have been produced in this State. Mr Speaker, I would not want you to take my word for it (although there is no reason why you should not, of course), so I will provide an example to reinforce the matter. I was just flicking casually through the financial press today, and I saw statements that were made about the quality of the material that was put before the Parliament yesterday—with its qualifications but, nevertheless, with the quality of it. The Adelaide *Advertiser,* in its editorial (I note, with some disappointment, that the headline was all about suggested union problems with the State, and I thought that was a pity) stated:

> Eliminating the recurrent deficit and cutting State debt in real terms to 22 per cent of gross State product by mid 1996 are realistic targets.

If we go further afield than the *Advertiser*—

Mr MEIER: I rise on a point of order, Mr Speaker. My recollection was that the question dealt with the $430 million black hole in the budget. The Treasurer is now speaking about press reports on the budget. There is no relevance—

The SPEAKER: Order! I assume the honourable member is raising a point of order on the basis of relevance. I would suggest to the member and to the House that the question was so broad ranging that any answer at all to do with money would do. However, I ask the Treasurer to bring his response to a close very quickly.

The Hon. FRANK BLEVINS: I know that on Wednesday of next week we will go through all these matters in great detail, and I look forward to that debate and to seeing the faces of members opposite—in whatever configuration. I want to finish with one further quote from the *Financial Review:*

> The Government has outlined a coherent and credible strategy of debt reduction designed to bring under control a State budget deficit and interest bill which, if left unaddressed, would have quickly run out of control.

I repeat the start of that sentence:

> The Government has outlined a coherent and credible strategy of debt reduction...

That is what the financial statement was all about. I will offer to assist the Leader, if the Leader feels he needs some assistance in understanding the figures, by providing a Treasury officer to go through them with him and, where he finds some difficulty in following or understanding them, he will have some impartial Public Service advice. But there is no $400 million black hole.

TRADE UNIONS

The Hon. D.J. HOPGOOD (Baudin): My question is directed to the Premier. What is and will be the extent and nature of the Premier's consultation with trade unions and business in the light of the Economic Statement yesterday?

The Hon. LYNN ARNOLD: When I became Premier, I indicated that I would be setting new directions for this State to get this State's economy moving again. Throughout that period, I have been negotiating with business and with unions and will continue to do so. I promised a vision, and I delivered it yesterday. It is a vision that the various analysts are coming out very favourably about. They are saying it is coherent and credible and, in fact, the *Advertiser* editorial spoke very well of this. Members opposite may well laugh because, while I have put before this Parliament a vision, a direction to be debated, what have we had from the Leader?

What have we had from the Opposition? I know what we have had, because it is rife in the corridors of this place as to what has been happening. The Leader had a vision and a document, so we hear around Parliament House, and he took it to his shadow Cabinet for comment and endorsement. He got lots of comment but no endorsement. So little endorsement did he get that the document had to be shredded. He had to shred all the copies of the document that he had; tear it up and start again. That is why we have had nothing from the Leader; that is why he is now saying, 'No, it will be June when my vision comes.' That will be after he has taken his next document into the shadow Cabinet.

Members interjecting:

The SPEAKER: Order!

Mr BRINDAL: I rise on a point of order, Mr Speaker. Could I take two points of order at once?

The SPEAKER: No. The honourable member will take them singly.

Mr BRINDAL: First, the Premier was rude enough to have his back to you, Sir, and the Government Whip has often pointed out that is against Standing Orders.

Members interjecting:

The SPEAKER: Order! Let me take the point of order. Under Standing Orders it is not allowable. However, there is some leniency because I have noticed members asking questions turning their backs to the Chair. Once again, if the House wishes that to be enforced, I am pleased to do it, but you will get no business done while the Chair calls members to order all the time.

Mr BRINDAL: On the further point of order, the Premier is debating the matter.

The SPEAKER: I believe that the Premier is touching on debate. I would also point out to the House that some of the questions have touched on debate. Again, if you wish the Chair to be absolutely rigid, by all means that can be done. However, I would ask the Premier to be a little more specific, because this is only the second question and 10 minutes have already gone.

The Hon. LYNN ARNOLD: I take your points, Mr Speaker. The simple point that I want to make is that what the Leader came up with was not a vision splendid but a vision shredded. We shall have to wait and see

what he now comes out with. In terms of consultation with business and the unions, there will be many opportunities for further consultation about the details. One of the points that I will make to those who are critical of the reduction of 3 000 places in the public sector in South Australia is that we had no choice. We did not have the choice of being able to go out and say that we want to increase the tax revenue overall of this State to meet the recurrent deficit that we are facing in our budget now, and for some years to come, unless action was taken. That was not an option. If there were to be a maintained deficit, or a deficit that was growing, and we were not to reduce the size of the public sector, that would add to debt.

The package that I have brought into this Parliament is about reducing debt and creating jobs; not creating debt and reducing jobs in the entire economy. We simply have to cut our cloth. I shall be making the point to all those who question me on this matter that the alternative to our package would be an escalation of debt to nigh on $10 billion and a net financing requirement of $800 million at the end of the three-year time frame.

Members interjecting:

The SPEAKER: Order! To show that the Chair is even handed in the way that it conducts business in the House, I warn the member for Bragg. The Premier.

The Hon. LYNN ARNOLD: Just to finish, Mr Speaker, the outcome of that would be much worse, much more devastating on public sector employment, because essentially South Australia would be in a state of financial ruin if that were allowed to happen. This Government will not let that happen.

ECONOMIC STATEMENT

Mr S.J. BAKER (Deputy Leader of the Opposition): My question is directed to the Premier. Why has the Government refused to disclose in the Economic Statement details of how its spending cuts will affect vital services—particularly health, education and police? Will he immediately table estimated budget allocations advised to all agencies for 1993-94 and, if not, why not? Page 58 of the Economic Statement reveals that Chief Executive Officers of all agencies have already been advised of their estimated funding allocations for next year.

The Hon. LYNN ARNOLD: The Deputy Leader asks me to come clean with some information and facts. I have tabled a comprehensive document that spells out to South Australians the directions that we are following. He is the Deputy Leader of a Party that refuses to come out with details of what they are proposing to do. The best we have are the odd grabs from the Leader who yesterday said he would not have further job cuts than 3 000, but that is as close as we get. Then we have the same person saying that he would cut 15 to 25 per cent in various areas of Government right across the board. I can give the undertaking that when these targeted separation packages occur, they will be in areas which have minimal effect on the level of services that South Australians directly receive.

Mr Olsen interjecting:

The Hon. LYNN ARNOLD: If the member for Kavel would be a little more patient and let me get through it, I will answer his questions. I know that when he becomes Leader of the Opposition he will be forthright and give his views. I give him credit that he will come out and say what he believes in. I make the point that the public sector restructuring process that we are going through—for example, education, by creating this new department—will enable many of those administrative support services to be carried out more efficiently and effectively than is the case now. Staff savings can take place in those areas and not in the schools. I give the undertaking that the teacher-student ratios in this State, which are already nation leading teacher-student ratios as a result of this Government, will not worsen. Work out what that means in terms of the number of teachers in our schools system.

While all areas of Government will have to feel some restraint, it will be in key administrative support areas—for example, in the health portfolio. There are many opportunities for further improvements in the administrative support functions in the health system without any negative impact on the quality of health care that is being delivered to South Australians. What does that mean? It means that the numbers of nurses and doctors in our hospitals will not be affected. That is not the area that we are aiming at with this package, as the Leader and Deputy Leader know full well if they have taken the trouble to read the document.

Likewise, in terms of the police who are directly maintaining law and order, those are not the areas that will be the subject of cuts in numbers. This is from a State Government that has given the best ratio of police to population of any State in Australia. Those are the important points that should be noted by the Deputy Leader. I suggest that he would be better off spending more time asking questions of his own Leader, such as, 'Dean, please, what are we going to do; what are our figures; what are we going to say to the people of South Australia?', rather than the hollow rhetoric that we have been getting from members opposite so far.

The SPEAKER: Order! On the basis of information just given to the Chair, in the absence of the Minister of Education, Employment and Training, questions on education will be taken by the Minister of Housing, Urban Development and Local Government Relations; and questions on employment and training will be taken by the Minister of Business and Regional Development.

EXPORTS

The Hon. J.P. TRAINER (Walsh): Can the Minister of Business and Regional Development explain to the House how the two export assistance schemes, announced in yesterday's Economic Statement, will work? The present Leader of the Opposition yesterday attacked the Government's export assistance initiatives, saying they were superficial and would not work. However, I understand that they are designed specifically to complement national assistance schemes which do not cater for smaller to medium sized companies.

The SPEAKER: Before calling the Minister, I point out to the House that the Chair understands that next

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Wednesday has been set aside for a debate on the Economic Statement. The question is very close to anticipating that debate. I will allow it, but Question Time is being taken up with a question on a debate to be held next Wednesday. The Minister.

The Hon. M.D. RANN: A number of businesses want clarification of these schemes, and I think it is appropriate to discuss them today because of various distortions that have been put through the media. The State is ensuring, through these two major initiatives, that there is the greatest possible opportunity for businesses wishing to break into or expand their export markets. They complement entirely the Commonwealth schemes which are aimed at larger enterprises. They are aimed at larger enterprises; these are aimed at smaller enterprises.

Members interjecting:

The Hon. M.D. RANN: Don't dump him; keep him there for a while; we do not want to lose him. The strategic trade development scheme aims to help experienced exporters to break into long-term strategic markets. The Government will share 50 per cent of the costs up to $500 000 per company, which will be repayable with interest to the Government, if successful, and converted to a grant if unsuccessful. Activities eligible for inclusion in the project costing will include all market entry costs, including research and development, in-market development activities, and expenses related to establishing distribution mechanisms. The New Exporters Challenge Scheme will encourage new small exporters—not those under the Commonwealth's larger exporters scheme—of limited financial resources to establish themselves in overseas markets.

My colleague the member for Playford asks about the Leader of the Opposition. I understand that the Leader told the media yesterday that these schemes are superficial; that they will not work; that they do not work; that under these circumstances he would not have gone out into the market as a great exporter. I am told he had his snout right in the trough and his trotters too—that his company has got hundreds of thousands of dollars worth of assistance from Austrade under the bigger companies scheme that he is criticising and says does not work. If they are so superficial, if they do not work, why did he have his hand out and, if they did not work, why did he pay them back?

POLICE DEPARTMENT CUTS

Mr MATTHEW (Bright): My question is directed to the Minister of Emergency Services. With the Government designating a cut of 3 000 Public Service jobs as a central plank in its economic strategy, how many public service positions will be abolished in the Police Department?

Members interjecting:

The SPEAKER: Order!

The Hon. M.K. MAYES: Obviously, the member for Bright was not listening when the Premier made a statement. I draw his attention to the Premier's statement, which was very clear and precise; perhaps he can read *Hansard,* and then what the Premier said will be finally fixed in his thick skull.

Mr Matthew interjecting:

The Hon. M.K. MAYES: I draw the honourable member's attention to the Premier's comment.

Members interjecting:

The SPEAKER: The member for Bright is out of order.

The Hon. M.K. MAYES: The Police Department, as the Premier indicated, will not be affected by this. The Police Force will maintain its services to the community, and will continue to do so. The Premier referred to efficiencies; he also talked about the E&WS and ETSA, so I suggest that the honourable member read a copy of Meeting the Challenge, and he might satisfy his own inquiry.

STATE BANK

Mr FERGUSON (Henley Beach): Will the Treasurer tell the House why the Government has chosen to use the first payment of $263 million from the Commonwealth of tax compensation and financial assistance associated with the sale of the State Bank to pay for voluntary separation packages and not to retire debt, as suggested by the Leader of the Opposition on ABC radio this morning?

The Hon. FRANK BLEVINS: I would have thought that to state the proposition, as the Leader did, would be to dismiss it. Clearly what the Leader appeared to be saying was that the $200 million-odd of the $647 million ought to be used to retire debt directly rather than to fund separation packages.

Allow me to go very quickly through the maths of that proposition. If we assume that $200 million worth of debt is retired and interest rates are 10 per cent, we save something like $20 million a year. If we reduce public sector numbers by around 3 000, for the same figure we save well over $100 million every year after the first year.

Members interjecting:

The SPEAKER: Order!

Mr D.S. Baker: It shows how naive you are. What you are putting to this House is rubbish.

The SPEAKER: Order! The member for Victoria is out of order.

The Hon. FRANK BLEVINS: That is not a very difficult equation to understand. The reasons why the Federal Government assisted the Tasmanian Government in this same manner and gave the Tasmanian Government $40 million to do the same thing were clear. The Tasmanian Government could quite easily have paid $40 million off its debt—saved itself $4 million a year. Instead, it got rid of about 1 000 salaries from the Public Service.

The Victorian Government is not in the fortunate position of this Government, and it is having to go back again to Loan Council for permission to borrow hundreds and hundreds of millions of dollars to do the very same thing—to reduce its public sector numbers—because if you do that, the benefit of approximately $40 000 in salaries for each public servant is an ongoing saving in perpetuity. There is no mystery about it, and there is not one financial commentator who

has made mention of it. The only people who have made mention of it are those who have not thought it through. It takes five minutes—

Members interjecting:

The SPEAKER: Order!

The Hon. FRANK BLEVINS: —to think it through. If we are to reduce our debts, there are a number of ways of doing it, and the most efficient way of doing it is to reduce recurrent expenditure. The most efficient way of reducing recurrent expenditure is not to have those salaries, because the bulk of the Government's outlays is in salaries.

I heard the member for Flinders this morning. I know the honourable member and I know that he is capable of thinking it through and, having thought it through for a few minutes, I am sure he would prefer 100 per cent return at the end of 12 months on this money than a very much smaller return over a period.

EDUCATION DEPARTMENT CUTS

Mr SUCH (Fisher): I direct a question to the Minister of Housing, Urban Development and Local Government Relations, in the absence of the Minister of Education, Employment and Training. How many positions will be shed in the Education Department by June 1994 to meet the employment targets of the Economic Statement, and is it intended that any schools or kindergartens will be closed.

The Hon. G.J. CRAFTER: I will refer the question to the responsible Minister for a reply in due course.

WORKCOVER

Mr HERON (Peake): Will the Premier inform the House whether WorkCover's average levy rate is four times higher than that of New South Wales? In a radio interview on Keith Conlon's program this morning, the Leader of the Opposition said:

The facts clearly show that we are four times higher in WorkCover premiums than New South Wales.

Members interjecting:

The SPEAKER: Order!

The Hon. LYNN ARNOLD: The Leader says he has the evidence. I must say that both Keith Conlon and I, sitting in the studio together with the Leader of the Opposition, were somewhat incredulous at the Leader and his statement and his attempt to try to work the mathematics out to support his statement that WorkCover levies in New South Wales are one quarter of the levies in South Australia. The Leader is yet again very wrong, because the facts are that the WorkCover rate in South Australia is certainly not four times the New South Wales rate.

Let us recall the Leader's words: 'The facts clearly show that we are four times higher in WorkCover premiums than New South Wales.' They are his words that he put to the people of South Australia. He may be trying to dissemble now and suddenly say that he did not actually mean what those words say but that he meant something else, but that is what he told South Australians, and what I am saying to South Australians are the facts. The facts are these: WorkCover's current average rate in 1992-93 is 3.2 per cent and it will reduce to 2.86 per cent from July this year. In New South Wales, the rate is 1.8 per cent. There was a calculator floating around here a minute ago; I think somebody ought to lend to it the Leader and punch in 1.8, then the multiply sign, then four, then equals and then see what it comes out to.

I can tell the Leader that 1.8 times four does not come out to anywhere near 2.86 per cent from July this year or 3.2 per cent as at present. What the Leader might have done is to compare the same industry or company between States, but it is misleading to compare the average levy with other State schemes because of—

Members interjecting:

The SPEAKER: Order!

The Hon. LYNN ARNOLD: Listen on. It is misleading to do that because of the higher level of benefits and entitlements paid under WorkCover, the number, type and nature of industries covered, the extent of cross subsidy from Commonwealth agencies and, very importantly indeed, the effect of the award system differences between New South Wales and South Australia.

There is one other point that should be taken into account. If we work out the average—and if we are to refer to averages, let us be fair and pick up all the averages—and if we work all the exempt employers in South Australia into the whole equation, our average rate is reduced even further, whereas the same phenomenon does not occur in New South Wales: I believe there is only one exempt employer in the whole State. So there would be no variation to match the reduction here on our State average. It is important to point out that WorkCover levies are broken down into 531 different industry classes. I said 'Listen on', and I hope that the member for Bragg is listening. The majority of South Australian employers are paying levies comparable with those in Victoria and New South Wales—

The SPEAKER: Order! The Premier will resume his seat.

The Hon. JENNIFER CASHMORE: On a point of order, Mr Speaker, my impression is that the House has listened on too long, and that the Premier is taking an excessive length of time to answer the question.

The SPEAKER: In the opinion of the Chair, that is not so, and I do not uphold the point of order. However, in an endeavour to have some questions asked in this place, I would ask the Premier to finish the answer as soon as possible.

The Hon. LYNN ARNOLD: I have only two further sentences. WorkCover levies are continuing to fall in this State and are now at the lowest level since the inception of the scheme. By any mathematical calculation, the average levies in South Australia are not four times the average levies in New South Wales.

HEALTH SECTOR CUTS

Dr ARMITAGE (Adelaide): My question is directed to the Minister of Health. With the Government having designated a cut of 3 000 Public Service jobs in its Economic Statement, how many jobs does the Minister

anticipate will disappear in the public hospitals and health sector by June 1994?

The Hon. M.J. EVANS: It is very important to note that this Government is looking to improve patient services while at the same time making efficiencies and economies in the delivery of health services. That position is very much similar to one which the member for Adelaide stated only the other day. We share that viewpoint. I am concerned to ensure that the House as a whole should be obliged to take that view, because it is what patients require. If it is possible through a process of natural attrition—

Members interjecting:

The SPEAKER: The Minister will resume his seat. I warn the member for Heysen.

The Hon. M.J. EVANS: If it is possible through a process of natural attrition to reduce staffing numbers while continuing to improve patient services, this Government will certainly look at that proposition, but it is not possible, and I do not intend, to nominate those positions. That is not part of this exercise: it is an ongoing management exercise in individual health units. Those health units are the employers of record for their people. They will make those day-to-day decisions as to how they can continue, within the budget allocated to them, to improve patient services while maintaining efficiencies and economies in the delivery of health services.

Members interjecting:

The SPEAKER: If and when the House comes to order, we will continue with Question Time.

Mr Venning interjecting:

The SPEAKER: And I warn the member for Custance. I have had to warn several members today. It would be a pity for them to miss next Wednesday, when a very significant debate will take place. I advise all members to take note of that. The honourable member for Napier.

MAIN STREET PROGRAM

The Hon. T.H. HEMMINGS (Napier): Will the Minister of Business and Regional Development provide more information on the Main Street program which was outlined in yesterday's Economic Statement and, in particular, say whether it is supported by any other State Government in Australia? It has been put to me by an astute constituent that the Leader of the Opposition attacked the Main Street program in yesterday's media, yet I have been reliably informed by my constituent that the New South Wales Liberal Government is strongly behind this program.

The Hon. M.D. RANN: It is true, I am very happy to steal ideas from any Government that has a successful program. I was very pleased to know that John Fahey, a fellow New Zealander, borrowed the Main Street scheme from the New Zealand Labor Government, which in turn got it from Western Australia, and in each of those places it had spectacular success. So, I must say I was absolutely astounded when the Leader of the Opposition attacked this program, which has already attracted national acclaim and attention.

I suggest that he contact the New South Wales Minister for Planning, Robert Webster, who would be very upset that one of his pet projects is being knocked by a fellow conservative. Perhaps he could contact the Premier of New South Wales, John Fahey, who has a major Main Street demonstration project in Goulburn, the heart of his electorate. The Northern Territory Liberal Government is now embracing Main Street, as is Western Australia and Queensland.

I think Main Street is a comprehensive community-based program which will breathe new life and jobs into town centres around the State. It is not just about beautifying main streets but it is a comprehensive marketing strategy driven and owned by the local community. In the Liberal State of Tasmania, there has been great success in using Main Street, resulting in tourists being persuaded to stop in small towns and spend their money. Ultimately it is about creating jobs and vibrant rural economies.

I had some phone calls today from the media in the South-East of the State—I am sure the member for Mount Gambier will be interested in this. I was asked, 'When are we going to get Main Street; what is happening?' I have been quite clear about it. For Main Street to work, it must have the support of the local regional development board, the local council and the local member of Parliament, because it must have the leadership support in the area to be viable and to take off. So, you had better sort out which members of the Opposition support Main Street and which do not because, if you do not, you will not get it in your area. The other thing is that one of the first cabs off the rank is Victor Harbor. It will be interesting to see how the Leader of the Opposition changes his views.

The SPEAKER: Order! There is a point of order.

Mr LEWIS: Mr Speaker, my point of order is this: the use of the pronoun 'you' was predominant in the Minister's response, and I wondered whether he was directing that to you, Sir, or to members of the Opposition.

The SPEAKER: Order! Members will resume their seats. We are all well aware of the requirement to refer to members by their electorate or the office that they hold. It is also customary in the Parliament not to use the word 'you' but to refer to 'the Opposition' or to 'members of Parliament', and I would ask the Minister to keep that in mind in his response.

The Hon. M.D. RANN: I apologise for that indiscretion. Certainly, I hope we will get very strong support for this scheme from rural members. I hope all members of Parliament will talk to their colleagues interstate and look at the success of Main Street there. I am delighted that Victor Harbor participated in a seminar that led to the adoption of Main Street by this Government. A seminar was put on by local government, and that is what convinced me to endorse this scheme. I hope that no members opposite are prepared to stand up, as is their Leader, and jeopardise their community's chance of participating in a very valuable scheme.

PUBLIC SECTOR CUTS

Mr INGERSON (Bragg): My question is directed to the Premier. How does the Government justify the assumption in the Economic Statement that the rate of employment growth in South Australia will almost double next financial year when it is cutting 3 000 public sector jobs and slashing capital spending by a further $70 million, both policies imposing additional pressure on the labour market?

The Hon. LYNN ARNOLD: If we look at the numerous things that have been done in the package to promote the business sector—the creation of the enterprise zones; the activities in the tourism area; the cut to financial institutions duty, the $35 million give-back to the community; the support for the hospitality industry; the $40 million economic development package that is being continued again this year, so there is another $40 million for that; and the export schemes, with approximately $8 million involved in that—I believe there are many things that would justify the employment growth figures included in the statement.

The point made by the honourable member is the capital works program. It is true, we are deferring some works in the capital works program. It is true that we are deferring the upgrade of this building; we are deferring the upgrade and fit-out of offices in the State Administration Centre, including my office, the Deputy Premier's office, other Ministers' offices and other areas there; and we are deferring the upgrade of the Magistrates Court. There is so much else still going on in the capital works program. We still have a very sizeable capital works program that will be out there building facilities for South Australians, in the education and health areas and in other areas. They go on; they have not been deferred. What have been deferred are those things that I do not believe are of high priority in these very challenging times.

If what the member for Bragg is saying is that, no, we should have kept those in the capital works program and kept the 3 000 places in the public sector employment, I would like to know how he intends to balance the books. I would like to know his answer. He is saying we cannot reduce public employment or the capital works program. That leaves only two options. We can go across the range of Government taxes and increase the Government's tax revenue overall. In fact, our package has a slight decline in the tax take in the budget. We reject making tax increases, because that would not stimulate employment in the private sector in South Australia or give us growth in employment in this State. Alternatively, we can go more and more into debt.

I repeat the point: this package is not about creating debt and reducing jobs in the economy at large: it is about creating jobs and reducing debt, and I suggest that the member for Bragg do the simple mathematics and realise that we cannot have it all ways. We must come down with directions. His side will have to come down with directions and say how it will address these issues.

LOCAL GOVERNMENT REFORM

Mr McKEE (Gilles): Will the Minister of Housing, Urban Development and Local Government Relations provide the House with a brief report on the progress of reform for rules on conflict of interest of elected members and officers? I read in the *Messenger* newspaper that a discussion paper on local government and conflict of interest has been released.

The Hon. G.J. CRAFTER: I thank the honourable member for his interest in this area. As he has said, a discussion paper on conflict of interest in local government has been released, and a consultation period for this important topic is under way. I must say that I am surprised that so many issues of conflict of interest are raised with respect to local government matters. This is a most important issue. It is in the context of greater recognition of local government as a level of government in its own right, with accountability primarily to its electorate and to the Parliament rather than to a State Minister and a department, that this discussion paper has been raised. Local government, of course, remains dependent on State legislation for its existence and constitution. However, the principle of increased local government independence and self-management in this context must provide adequate assurances of propriety.

The discussion paper outlines the recent legislative history dealing with the general area of conflict of interest, and provides an overview of a number of problems that currently require resolution. As the discussion paper covers these, I will not go into any detail on them for the benefit of the honourable member. Briefly, however, key recommendations contained in the discussion paper include that there be a code of conduct based on the current rules for local government and employees, that breaches of the code be heard by a local government disciplinary tribunal and dealt with as professional misconduct and that legal advice and courses on ethics be available to local government.

The expected advantages of creating a local government disciplinary tribunal to deal with breaches that are not serious enough to be dealt with as a criminal offence under the Public Offences Act include the development of consistent and more professional standards across local government, and the power to deal with less serious breaches by admonishing or suspending the member and having these matters dealt with in an open and public arena.

I would like to emphasise, however, that this is a discussion paper and not a final Government report. It is being disseminated with a view to providing the opportunity for consultation, not just with local government but also with any member of the public who may have an interest or involvement in this matter. This process of community consultation will assist the Government in forming a position, which can then be taken to the State and local government negotiating table. The deadline for written submission on this issue has been extended to 7 May this year and copies are available from the State/Local Government Relations Unit.

ECONOMIC STATEMENT

Mr D.S. BAKER (Victoria): How does the Premier equate his claim that his Economic Statement carries incentives for export when his Government's policy on compulsory unionism prevents a South Australian business from exporting valuable products to overseas markets? I have been informed today of a situation involving Browntree Trading, an exporter with offices at 266 Morphett Street, Adelaide, and a depot at Port Adelaide. A Browntree truck went to the Austainer depot at Port Adelaide to pick up three empty containers to fill up with malt for export. The truck was met at the gate by three TWU officers who refused it entry because the driver did not have a current union ticket. The truck returned twice more that day, only to be refused entry each time. The second time was in front of a Channel 7 camera. Browntree lost a day's production as the result. Yesterday, the truck was allowed through, but only after union officials, without authority, conducted a road safety check on the truck.

Members interjecting:

The SPEAKER: Order! I think the honourable member is starting to drift from the specific question and is now starting to debate the question and bring comment into it.

Mr D.S. BAKER: Thank you, Mr Speaker. The union has now demanded to examine the company's wage records, which examination it is carrying out at Morphett Street at 2.30 this afternoon. I am told that Browntree exports wheat, barley and legumes and that its present export commitments are extremely busy and not open to disruption.

The Hon. LYNN ARNOLD: The one credit I give the member for Victoria is that he has the honesty to come out now with the hidden agenda of the Opposition, because the Leader of the Opposition has been doing his very best since 13 March to run away from any issue or policy. The very fact that the member Bragg has been keeping secret the industrial relations platform of the Liberal Party, delaying release—

Mr INGERSON: Oh, come on!

The Hon. LYNN ARNOLD: He says, 'Oh, come on.' He is the one who said he would release it in August, then in December, then in January and then in March. You are the one who said you would release it.

The SPEAKER: Order! The Premier will direct his remarks through the Chair and that will prevent the use of the word 'you' across the Chamber.

Mr S.J. Baker interjecting:

The SPEAKER: Order! The Deputy Leader has been warned. The Premier.

The Hon. LYNN ARNOLD: Now we understand the real agenda that has come out with the member for Victoria. He is itching to get into the New Zealand and Victorian approach; he is itching to get into the union movement and simply kick it. That is what we have been waiting to hear: that is the real policy. The member for Victoria has the guts to come out with the real policy. He apparently takes issue with the union movement's wanting to see the wage records of the employer of some of its members. It has the responsibility to look after the interests of its members; it has the responsibility to ensure that they are being paid fairly. I suggest that the honourable member pursue these general areas more carefully and work out exactly what kind of environment we want in South Australia. The facts are that, with our low level of industrial disputation—the lowest in Australia—it is quite clear that the policies of this Government have worked, because we have much less time lost in industrial disputation, and that is an economic plus for business.

Mr Ingerson interjecting:

The Hon. LYNN ARNOLD: When the member for Bragg interjected, he asked, what about out policy? Our policy is our practice: we have been doing it here and we can see it. Secondly, with respect—

Members interjecting:

The SPEAKER: Order! The Premier will resume his seat. Over the past few weeks the member for Goyder has put on a few performances. The Chair will not put up with any more. If there is any more unruly behaviour from the member for Goyder, he will be named, and I think I can guarantee that he will leave the Chamber.

The Hon. LYNN ARNOLD: Thank you, Sir. After that puerile outburst from the member for Goyder, I think he is trying to set up an scenario that is a misuse of this parliamentary forum.

The SPEAKER: Order! The Premier will resume his seat. The member for Hayward.

Mr BRINDAL: On a point of order, Sir: the Premier is clearly not answering the question and is usurping the authority of the Chair to discipline members of this House.

The SPEAKER: The Chair's attention has been diverted by the interjection of the Leader of the Opposition. I am not sure whether the Leader wishes to say anything to the Chair.

The Hon. DEAN BROWN: No, Sir.

The SPEAKER: My attention has been diverted and I have not been listening. I will listen very carefully to what the Premier says and, if he strays from the practice of the House any more than some of the questions have strayed, I will call him to order. The Premier.

The Hon. LYNN ARNOLD: I will wind up. I have been talking about the industrial relations practice of this Government and our support for industry—

Mr D. S. Baker interjecting:

The Hon. LYNN ARNOLD: The export package is on page 15 of the document—and very exciting packages they are, too, notwithstanding the very equivocal approach of the Leader of the Opposition, who says that he does not support such things yet his previous incarnation took advantage of them. Also with respect to our industrial relations practice you can see our approach to enterprise bargaining in terms of the public sector (which is referred to in the document). I believe the approaches we are setting there are appropriate in the circumstances in South Australia.

CIRCUIT BREAKERS

Mr HAMILTON (Albert Park): Will the Minister of Public Infrastructure request ETSA to investigate the possibility of introducing a scheme to assist and encourage ETSA clients to install electrical safety switches, that is, circuit breakers? I have been

approached by a Semaphore Park resident, a family man, who has suggested that a couple of hundred dollars to install such equipment is prohibitive to many people in the community. My constituent further suggested that a scheme whereby the cost could be recouped by ETSA via the electricity accounts over a period should be investigated. My constituent went on to say that circuit breakers could save lives. He outlined the possibility of a fire due to faulty electrical appliances and said that cost savings in the long term in many houses throughout South Australia could be effected by the installation of circuit breakers. Hence my question.

The Hon. J.H.C. KLUNDER: I thank the member for Albert Park for his question, because any question which touches upon the safety of people in their homes is an important one and deserves serious consideration. As the honourable member is probably aware, new houses require the installation of earth leakage circuit breakers or residual current devices (as they are now known) as a matter of course, and so do houses which undergo repairs or adjustments to the switchboard at the house. That is already being done in a number of houses.

I would be opposed to a compulsory situation of this nature and consequently I would only be interested in looking at whether or not people who volunteer to have these things put into their houses—either houses they own or houses where they had long-term rental prospects—would be considered for such a scheme. I think that for ETSA to put these in and then place a charge on the account would be a sufficiently large departure from the existing situation for it to warrant consideration by the ETSA board. I undertake to put it to the board so as to let it have a look at the situation.

E&WS DEPARTMENT

The Hon. H. ALLISON (Mount Gambier): My question is directed to the Minister of Public Infrastructure. With the proposed merger of the Electricity Trust of South Australia and the E&WS Department, what are the Minister's plans to prevent No. 1 Anzac Highway or the Australis Centre from becoming giant financial millstones around taxpayers' necks? What plans does the Minister have to avoid the same possible expensive retention of real estate (which could be empty) in regional centres such as Mount Gambier and other country towns in what is a stagnant property market? The Government already has the still empty No. 1 Anzac Highway building, which was bought for more than $20 million and on which several more million dollars are being expended for refitting. It also has the multi-million dollar Australis Centre which was a non-performing State Bank debt and now houses the E&WS Department, which the State Administration Centre because of a refurbishment is now not going ahead. In Mount Gambier the Electricity Trust has just occupied a brand new office block—

The SPEAKER: Order! The honourable member is starting to stretch this into a debate rather than a question.

The Hon. H. ALLISON: These are important to the—

The SPEAKER: Order! I will not stop the honourable member just yet. There are avenues in this Parliament, such as grievance debates and other means, to make points. Questions and answers are meant to be precise, although that is not always satisfied in this House. However, I believe that the honourable member is starting to stretch the explanation into a debate, and I would ask him to conclude his question as quickly as possible.

The Hon. H. ALLISON: Thank you, Mr Speaker. I will stick to pure fact. In Mount Gambier, as the Minister is well aware, ETSA occupied a brand new purpose-built office block last year, and it is still underutilised following ETSA's substantial staff cuts over the past three years. The E&WS Department has fine office buildings in Mount Gambier West, and I am informed that the vacated buildings could add substantially to—

The SPEAKER: The Chair believes that the question has been put very clearly. I ask the honourable member to resume his seat and the Minister to answer the question.

The Hon. J.H.C. KLUNDER: I thank the honourable member for his question and his involved and very detailed explanation. The answer is relatively simple. As a result of the merger, we expect that there will be some reduction in employment in the combined organisation.

An honourable member: How many?

The Hon. J.H.C. KLUNDER: As a result of that reduction, I expect that it will be of the order of 300 per year for the next two years, but that will depend on the voluntary take up by people of the packages that are available. If we find that in any buildings around the State, including Australis and No. I Anzac Highway, there is a reduction in the amount of space required by the combined authorities, we will fill that space with people who are currently in accommodation for which they are paying the private sector. So, instead of Government paying the private sector, Government will be paying Government for that rental accommodation which will again result in a further reduction in costs to the Government and therefore will continue to go along the lines that this Government intends.

ENTERPRISE ZONES

Mr FERGUSON (Henley Beach): I direct my question to the Minister of Business and Regional Development. Can the Minister explain in more detail how enterprise zones will work in Whyalla and at the three MFP sites?

Members interjecting:

The Hon. M.D. RANN: It is interesting to see the Leader of the Opposition laughing. Perhaps he should tell us how many hundreds of thousands of dollars his companies made from Austrade and how successful that assistance was, or whether it was superficial. We have also heard his attacks on enterprise zones. In promoting enterprise zones the Premier is in very good company. I first heard about enterprise zones in a speech by Ronald Reagan in 1984. Unfortunately he was unable to get it through Congress, but a number of very successful State Governments, including Michael Dukakis' Massachusetts administration and others, had very successful enterprise

zones with substantial tax breaks to assist in the revitalisation of areas and for specific purposes.

Last September I had the privilege of having lunch in this House with Tony Newton, who (was and) is a Conservative Minister in the Thatcher and Major Governments. He commended the concept of enterprise zones and said that these were set up in the 1980s in Great Britain and that they had been highly successful in promoting growth in areas around Sunderland, Clydeside and the Isle of Dogs, in London, through 10 year tax breaks. The Major Government was able to supply us with some information about how its different schemes worked. We then looked at various examples in places such as Belgium and Singapore to see whether we could make a simpler and more elegant enterprise zone structure. Indeed, I met with some British Labour MPs who commended Mr Newton, the Thatcher Minister, for the success of that scheme which was embraced in a bipartisan way.

It is very interesting to see that once again the Leader of the Opposition, who never has a view of his own that he does not counter the next day, has come out and opposed it. Already Liberal-represented areas have been on the phone asking, 'Can we have one?' I believe the message will be, 'We've got to pilot some pilot schemes.' It would be very crucial to have the support of their local members of Parliament. It is proposed to establish two enterprise zones within which new strategic investment will achieve Government support. This will be in the form of taxes, charges, regulations, approvals and incentives, 10-year tax holidays, including payroll tax, FID, land tax, stamp duties, and so on, and concessional electricity and water charges can apply.

Local councils will be challenged to join in to match the 10-year tax exemptions with a 10-year rate exemption. We will also talk to the Commonwealth Government, which will be urged to offer similar taxation incentives. One zone will be at Whyalla and one around approved MFP sites. The MFP zone, including Gillman, Science Park and Technology Park, recognises the importance of providing a specific package to attract appropriate wealth generating activity in the MFP development. Qualifying activities will include approved business developed in consultation between the MFP Corporation and the EDB to ensure consistency with the other overall State economic strategy. They will include the core MFP sectors of environment, education and information technology. At Science Park and Technology Park obviously existing companies can be assisted with expansion and with new jobs that are actually contracted. The Whyalla zone, which will be directly under the responsibility—quite appropriately—of the Minister of Mineral Resources, will be based on the land set aside—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN:—at the Whyalla resource development estate at Port Bonython and will be aimed at major resource processing activities. It is a specific zone. An area is already designated aimed at resource processing activities. It has already been established as a special industry zone through the planning process, and land will be made available at no cost to approved industrial developments. In closing, I understand that the shadow Attorney-General in this State is extremely angry to hear that Mr Robert Lawson (known as Henry) has been offered the Attorney-Generalship in the unlikely event that the current Leader of the Opposition is elected.

GRIEVANCE DEBATE

The SPEAKER: Order! The proposal before the Chair is that the House note grievances.

Mr HAMILTON (Albert Park): Members of this House would be well aware that for many years I have argued intensely for the redevelopment of the Hendon Primary School, a school that caters for many—

The Hon. J.C. Bannon: It certainly needed it.

Mr HAMILTON: Indeed, as the member for Ross Smith said, it is a school that certainly needed it. Over a period of some 14 years, I have directed my attention in that regard. That school in the western suburbs caters for students of many different nationalities, and quite properly they are deserving of the best we can provide through the Education Department. It took some time for the closure of the Seaton North Primary School to be effected, but subsequent to that the Government gave a commitment that the benefits therefrom would flow on to the Hendon Primary School. There is visible evidence of that today. It is unfortunate that the Minister of Education, Employment and Training, because of parliamentary duties, cannot be here. I wanted to thank her on the public record for her assistance.

Mr Ferguson interjecting:

Mr HAMILTON: Well, if that is possible, I may well do that. The reality is that the Minister of Education, Employment and Training is a very compassionate person. She is probably one of the best Ministers we have in the Parliament. She has always been attentive to any request that I have made since she has become the Minister of Education, Employment and Training. Anyone who has taken the time to look at what has taken place with the redevelopment of that school would be very heartened indeed. There is a vibrancy about that school that I have not seen before. There is eagerness amongst the students to get on and do better, and that is reflected by the positive approach of the principal and all the staff at that school.

There is no doubt that students at that school and the local community are absolutely delighted with the way in which the Government has directed additional resources, some $2 million, towards the upgrading of that school. Many years ago, when I stood for Labor Party preselection for the seat of Albert Park, I gave a commitment at that convention to address problems of education. Equality of opportunity for all in education, that is what the Labor Party is all about, and that is what I have sought to achieve within my electorate. However, there is one factor that has caused concern to a number of residents who live adjacent to Hendon Primary School, that is, Anne Street at Royal Park, which is on the opposite side of that street.

Many of those residents who are now retired, or close to it, have advised me that their children, when they attended that school, planted trees on Arbor Day many years ago. Their concern is that those trees will be demolished to make way for the erection of Housing Trust homes. Quite properly so, these parents have indicated to me their concern that those trees should be retained. I advised the Housing Trust and the Minister about this problem, because unfortunately in the past Governments of all political persuasions—and, indeed, local government—have been remiss in not providing adequate facilities for young people and young families in that area.

Some years ago, when the now Leader of the Opposition was a Minister in the Tonkin Government, I received a flippant response when I asked about what would happen in relation to a school on Delfin Island. I got the inane reply, 'Well, we might plant trees there and have a forest.' This Government is concerned about education and the benefits that will accrue to the children in the Albert Park electorate. The Minister, the Education Department and all those responsible in this regard for the redevelopment of the school, including the contractors and those employees of the appropriate businesses, should be commended. I look forward to the day that that development is completed, because the children—quite properly so—are entitled to the best in education.

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

The Hon. DEAN BROWN (Leader of the Opposition): Can I immediately take up the challenge issued by the Minister of Business and Regional Development, who asked, in relation to the companies with whom I was formerly employed and who were very successful exporters, how much money was received from the program the Government has now mirrored on a smaller scale under this package? The answer is, 'Not one single dollar,' because that particular program put up by Austrade is regarded as a national failure, and even BHP and the other big national companies have been—

Mr Atkinson interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN:—bitterly complaining that the constraints put upon that export development program have been so tight that they are extremely difficult to comply with. So, the answer is, 'The Federal scheme has been largely a failure.' I suspect that the Government's scheme—

Mr Atkinson interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN:—is going to be just as much a failure as well. What I said at the press conference yesterday was that the schemes that are being offered, at the very best, would have only a marginal impact upon exports, and I know that area, I suggest, far better than the Minister of Business and Regional Development. What I want to talk about is this huge black hole that now exists in the Government's Economic Statement. Earlier today a very simple question was put to the Treasurer, the man who has worked out these figures. That simple question was, 'Tell us where the income is coming from to meet your projected expenditure for 1995-96?' The Government laid down expenditure estimates for three years in advance but could not put down the anticipated income for the same three years. However, at the same time the Government was bold enough to say that it would have a balanced budget in 1995-96. If the Treasurer can work out that he has a balanced budget in 1995-96 and know what his expenditure is, why can he not tell us what his income is and where he is getting it from?

The Hon. J.P. TRAINER: I rise on a point of order, Mr Speaker. My point of order is the same as that taken by the member for Hayward earlier: that members should direct their bodies towards you while addressing the House.

The SPEAKER: The point is taken. I uphold the point of order. I ask the Leader to comply with Standing Orders and address the Chair.,

The Hon. DEAN BROWN: Certainly, Mr Speaker. The real crux is that there is a black hole in this budget of about $440 million, and even the Treasurer is not game to explain that black hole or how the Government will get out of it. Why? Because there is a hidden agenda. That hidden agenda is that after the next election, if by any slight chance—and I believe there is none—it were ever returned, South Australians would be lumbered with huge tax increases, including new taxes and death duties. Let us look at the record of the Labor Party in this area.

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: Let us look at the honesty of this Labor Government. It was asked 200 questions about the State Bank and its finances, and it misled the House time and again. We had the same with SGIC and the SA Timber Corporation. Look at the Government's election promises on tax increases. In 1982 the then Leader of the Opposition, just prior to the election, said that there would be no tax increases. What did he do? He lumbered South Australians with the biggest tax increases they had ever experienced in one lump sum up until that point. At the 1985 State election, he made a similar promise: he said that there would be no new taxes and no tax increases.

What happened? The member for Ross Smith actually introduced the FID tax. That is the Government's credibility on this matter. That is why there is this hidden agenda, this great big black hole that will be filled with tax increases if for any reason whatsoever—and there will not be—this Labor Party should ever be returned to Government after the next election. Let us look at the facts that highlight this hole in the budget. First, we find that, under its estimates, there is anticipated to be an accelerated economic growth. Secondly, it is assuming that employment growth in the next year will more than double, and we know that cannot be achieved.

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

Mr ATKINSON (Spence): Yesterday I was commenting on the main points of the Conservation Council's paper on changing local government in South Australia. Today I should like to comment on five subsidiary points

in the Conservation Council's proposal. The subsidiary proposals in the paper are:

(1) a commission of inquiry or summit on the constitutional allocation of responsibility between the Commonwealth, the States and local government;

(2) keeping the main taxation impost with 'progressive Commonwealth taxation and broad-based State duties' and minimising 'narrowly-based regressive council rates';

(3) changing the title of alderman to alderperson because 'some people find the former title gender specific and offensive';

(4) abolishing single-member wards 'because they are known through long experience to be unrepresentative and undemocratic' and replacing these with multi-member wards elected by proportional representation, as in the Senate;

(5) allowing a councillor who resigns from a multi-member ward mid-term to nominate his or her replacement in lieu of a by-election.

Australians have seen dozens of constitutional conferences, summits and talkfests in the past 20 years. As recently as 1988, four modest proposals for constitutional reform that were the product of drawn-out public consultation were heavily defeated at a referendum. The proposals were defeated all over Australia and in all Hindmarsh polling booths. One of these was a harmless proposal to give local government constitutional recognition. I believe the Conservation Council's proposal for another summit or commission of inquiry would be a waste of money. Let us work with what we have.

I think the discussion paper's claim that State duties on items such as beer, tobacco and petrol are progressive when compared with council rates on the value of land is a highly conjectural claim. Followers of Henry George, the nineteenth century American economist and writer, would argue that taxes on land are the most equitable levies ever devised and ought to comprise what they call 'the single tax'. The former Federal member for Hindmarsh, Clyde Cameron, is a single-taxer and the former Premier, John Bannon, is a closet Georgist. When the Conservation Council's discussion paper demands that aldermen become alderpersons, it is symptomatic of the author's remoteness from the language and values of ordinary people. Much of the paper is badly written, misspellings abound and long, pretentious words are used to convey meanings the author could not possibly have intended.

As a member of Parliament for the single-member constituency of Spence, I cannot agree that requiring a candidate to gain at least 50 per cent of the vote before being elected is 'known through long experience to be unrepresentative and undemocratic'. In fact, I know through long experience just the opposite. I concede that a proportional representation system for a multi-member electorate is a useful device in a country where there are rigid and permanent majorities and minorities, such as Jews, Bedouins and Arabs in Israel, or Unionists and Republicans in Northern Ireland. Australia is fortunate not to have such a problem and, if it is claimed by the Conservation Council that we do, our minorities would not be large enough to elect councillors in their own right under these proposals.

The proportional representation system that already operates in the town of Hindmarsh allows candidates to be elected with one-third of the vote. This has confused and annoyed local people who have complained to me that the town or the ward has voted solidly against a candidate but he or she has been elected anyway with a minority of the vote. Council-wide proportional representation may fascinate activists and bureaucrats but electors do not understand it like they understand a straight-out local ward contest for one vacancy.

The Conservation Council's suggestion that a councillor who resigns from a multi-member ward before a next election is due be allowed to nominate his or her replacement would lead to tag-team local government. Candidates unacceptable to the voters could be installed by the device of running an acceptable candidate and then having him or her resign in favour of the rejected candidate. It is plainly undemocratic to deny voters a by-election for the vacancy, and it could only be justified as a cost saving. In summary, the Conservation Council's proposals to change local government are poorly reasoned, badly written and would encourage and institutionalise corruption. These proposals will sink without trace.

Mr S.J. BAKER (Deputy Leader of the Opposition): Yesterday the Premier of this State brought down an Economic Statement, and he called it 'Meeting the Challenge'. When anybody meets the challenge, they have to come clean as to how they will approach it. What is clear from the figures with which we have been provided is that the rubber ball is bouncing, and it is bouncing because there is no explanation as to how the Government will meet the shortfall in revenue which is apparent in the figures before us. For the Treasurer of this State to say, 'Trust us; we cannot do the figures anyway; we do not know how to do the figures; and we do not want to do the figures', does not instil a great deal of confidence in the people of South Australia. They must be aware, given the record of Labor Governments, of the extent to which they manage to keep their promises or the extent to which they even manage to keep their budgets in order.

Leaving aside the issues that were raised by the Leader of the Opposition in relation to the broken promises, I point out that the Labor Government's track record is not particularly inspiring. For example, in the financial year 1990-91, the recurrent deficit was estimated at $37 million, yet it turned out to be $116 million. In 1991-92, the recurrent deficit was estimated at the beginning of the year to be $102 million, but the actual recurrent deficit was $282 million. In 1992-93, the recurrent deficit was estimated at $158 million, and it is forecasting $185 million after it has switched about $50 million of capital into the recurrent budget. So the track record is not inspiring.

To compound the problem that we cannot believe the Government—and nobody can—the Treasurer still cannot explain how he will meet the revenue that is required by 1995-96. There is simply no explanation. Therefore, people have a right to ask whether there will be increases on items such as death duties, estate duties, or whatever, because there is such a huge gap in the revenue estimates.

Members need to be reminded that not only is the track record of this Government absolutely abysmal but it has never been shy at introducing new taxes as the need arises. The Leader pointed out that there is a $400 million difference between the estimated outlays for 1995-96 and the estimated receipts for 1993-94, and there is no explanation. The Treasurer said, 'Well look, just trust us; we will be right.' In the past three years, just to keep the every day expenditure under control, $600 million borrowed for housekeeping, and that cannot continue. Thus $600 million worth of borrowings have not been related to capital and there has been more than a 100 per cent blow-out in the total excess expenditure incurred, and that is unconscionable.

I refer now to interest rates. The budget document refers to an estimated common public sector interest rate of 11.75 per cent for the next financial year. That happens to be about the same as it is for this financial year. I would like to know what has happened to the impact of the decrease in interest rates? What have Treasury and SAFA done to this State by locking long-term high cost borrowings into the financial equation?

I rang my counterpart in Victoria and he said, 'Our statutory authorities can get money at 8.5 per cent for 10 years.' Here we are paying 11.75 per cent. That is a travesty; that is a three percentage point cost to this State because of bad management by the Labor Government and bad management by the Treasurer of this State. It is absolutely unconscionable when we have such difficulties that we have had such a pathetic performance by the Government of this State, in particular by the Treasurer and former Treasurer of this State. It is absolutely vital that the people of this State understand that there is a huge hole, and there is only one way that this Government will ever fill it and that is by increasing taxation, even to the extent of increasing taxation on dead people.

Mr QUIRKE (Playford): On Monday, the country will have a public holiday for Anzac Day, and I think some remarks need to be made in this House on this occasion. I would like to relay to the House a couple of notable milestones that I think need to be put on the public record. It is almost 75 years to the end of the First World War. We all remember the 1990 visit of the surviving diggers to Gallipoli Cove to celebrate the seventy-fifth anniversary of the enormous battle in which a large number of Australian lives were lost.

It was on 25 April 1915 that Australia, in many respects, and according to many commentators, became a nation. It is a curious argument that a country must lose a large number of people to become a nation—that a nation only becomes a nation if it is drenched in blood. It is a curious argument but, nonetheless, it is one that permeates all of the literature of the 1920s and 1930s. It is also something that, in many respects, the RSL and many other ex-service organisations believe. They believe the sacrifice, in an abstract sense, was absolutely essential for Australia to become a nation.

We have also heard the argument as to what flag those men fought under whilst in the trenches of Gallipoli. My understanding from the argument is that it was the Red Ensign. That might well not have been the case, and I do not think it makes a lot of difference, because flags are symbols. Indeed, whatever flag those men were fighting under in 1915 at Gallipoli, the important thing is that they saw it as a service, firstly to Australia and, secondly, at that time to the British Empire.

This year, by accident of the calendar, Monday is the day after the official remembrance; I understand that a number of remembrances will be held on the day itself, that is, Sunday, while others will be conducted on the Monday. Nevertheless, Monday is the seventy-fifth anniversary of the events which culminated in the armistice that gave rise to the comment that the Great War would be the war to end all wars. We know that it was not the war to end all wars. I doubt that that war has yet been fought. It might well have been but, every time I put on the television at night, I see evidence to the contrary. The reality is that for Australia it is a very important milestone.

I doubt whether many of those men who were gathered at Gallipoli Cove in 1990 are still with us. I am not sure what the numbers are now. I would doubt that, when the Anzac Day march proceeds down King William Street, many of those men will be with us. I would imagine that all of them this year will be ferried in ambulances, as I believe was the case last year. I remember as a boy, when I first came to Australia, watching the Boer War veterans—those soldiers who went to fight for Australia and the British Empire under the flags of the different colonies. The last veteran marched in the year I came to Australia. Ever after that, those who survived went into the ambulances.

We are now at that stage regarding the men from the First World War and those few surviving women who were the VADs. Of course, I doubt whether there would be any of those women left now, because they had to be at least 30 years of age before they could serve. The point in my making these comments today is that last year I moved a resolution in this House on Armistice Day and I think that we should remember the work of our ex-servicemen of yesteryear.

Mr GUNN (Eyre): Yesterday in the House the Premier delivered his Economic Statement, which was meant to be a document to give hope and inspiration and to set out a program to rebuild this State. Having examined the document in some detail, the question I pose is, 'What is in it for the people I represent? What is in it for the people of the north of the State? What is in it for the people of Port Augusta? There was nothing, unfortunately.

Why is it necessary to create one of these new tax havens or economic zones at Whyalla? Why are those facilities not extended to other parts of the State? Why is it that, if the District Council of Murat Bay at Ceduna wants to encourage firms to develop and to create employment, that council does not get the same benefits? Why is it that there are no benefits for the existing infrastructure at Port Augusta? Is it because the people of Whyalla have a strong and effective member who happens to be the Treasurer and that the people of Port Augusta have a member who does not have influence? Is that the reason? That is the conclusion one would have to come to.

Why is it? What has happened to Port Pirie? Where is the born again socialist who is standing for that seat? He

obviously does not have the influence. Is that the reason, because surely economic decisions should be made on merit and as to where they will do the most good. This Economic Statement discriminates against the north and the west, those vast parts of the State which in my view have great potential and where hard working, dedicated people who want to participate live. It appears that they are not to be encouraged.

With the amalgamation of the Engineering and Water Supply Department and the Electricity Trust, what is to be the long-term effects on those small country towns where an Engineering and Water Supply office and an ETSA gang are situated? Obviously, there will be redundancies. Those communities have lost too many people now. Will this be another exercise in the drain being opened up again in the rural parts of the State? What will happen in those small country towns? Ceduna has two offices. Who will run the Leigh Creek depot? What will happen? Is the management style to be altered there? What will happen to the depots at Port Augusta? Will there be further rationalisation? This House is entitled to know. Those people are entitled to know.

I believe that, if we are to give concessions, we give them across the whole State, not selectively, because already I have had people contact me wanting to know which of the gangs will be closed. What will happen to the facilities? There has already been quite considerable rationalisation of the Electricity Trust on Eyre Peninsula. Will this be the next step? Will the E&WS gang at Wudinna be closed and the ETSA gang take over? We are entitled to know what the process will be. This document does not tell us. It is clear that one section of the Iron Triangle is receiving benefits while the other is not. I am all for efficiency.

Mrs Hutchison interjecting:

Mr GUNN: The honourable member bleats. The honourable member sits behind a Government that has squandered the future of the people of this State.

Members interjecting:

The SPEAKER: Order!

Mr GUNN: She has allowed the Government to squander the rights of the young people of this State. Never before in the history of this State has a Government been so financially irresponsible and reckless as this Government has been. Yet the honourable member sits there and says that it does not happen. It has already happened. Together, collectively, they must bear the responsibility. They cannot escape it. They have sat there, watched, and done nothing, while—

The SPEAKER: Order! The honourable member's time has expired. I point out to the House that we do have a Standing Order that refers to anticipation of debate. Before the House next week we will have a full debate on the Economic Statement. Some questions today and grievance debate contributions have concentrated on that issue. If the Chair had applied the rule rigidly, we would not have had a question today. I ask all members to give due consideration to the Standing Orders, which provide that anticipation of a debate is not in order.

PUBLIC CORPORATIONS BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 3120.)

Mr HOLLOWAY (Mitchell): I want to make some brief comments in support of this Bill. It is one of the most important Bills brought before this Parliament. After all, public corporations in this State have over $12 billion worth of assets and raise revenue of $1.5 billion each year. Perhaps it is a measure of the priorities of the Parliament that a Bill of such wide-ranging and fundamental consequences will be passed with so little debate.

I believe, if we are looking at the successful regulation of corporate behaviour, there are two elements to it. First, there has to be full disclosure of the activities of the corporation; and, secondly, there have to be proper auditing and accounting functions of that corporation. I am very pleased to see that the measures introduced in this Public Corporations Bill will improve both those fundamental requirements.

In my Address in Reply speech in 1991, I referred to many of the problems of our public corporations. Some of the measures that I sought on that occasion included audit committees, the consolidating of accounts and improved requirements for directors' responsibilities. All those matters are covered in this Bill. An audit committee is a particularly important requirement for our public corporations, being a most necessary check and balance upon management. What we need to ensure is that the Chief Executive Officer of a corporation cannot short-circuit the flow of information to the board and, with the recent royal commission into the State Bank, we can well see the need for that.

With an audit committee, members of the board are directly connected to the senior officers of the corporation and, therefore, there is a proper flow of information that cannot be interceded by the Chief Executive Officer. The other thing that we need in our corporations is proper accounting, particularly when consolidated entities are concerned. Many of the problems that have occurred in the corporate sector in this country, in both the public and private sectors, are where subsidiaries and devices such as off balance sheet companies have been used to hide the actual activities of the corporation. It is only with proper accountancy standards and particularly the consolidation of those accounts into the balance sheet that the true picture of the company's operation can be seen by those who ought to see it.

What we have seen in this country over the past decade has been a wide-spread failure of auditors adequately to discharge their duties; we have seen the failure of directors in many cases adequately to discharge their duties; and we have seen the failure of the regulatory authorities, such as the National Companies and Securities Commission and, latterly, its replacement, the Australian Securities Corporation, and authorities such as the Reserve Bank to adequately discharge their duties. We have also seen that many executives and CEOs have also not adequately discharged their duties. There has been a wide-spread failure across the corporate

sector of this country and, indeed, across the whole world. Part of the consequences of this has been a level of fraud, mismanagement, conflict of interest, self-indulgence and general unethical behaviour in our corporate sector. That in turn has led to shareholder disgust.

Unfortunately, this behaviour has several consequences. First, it means that we have difficulty in finding suitable appointees for the boards of our public corporations. We have to be much more diligent in scrutinising the people who have come out of the private sector. There has been a rub-off of the unethical behaviour from the private sector to the public sector, and that has compounded our difficulties. Finally, one of the consequences is that Governments can no longer afford to keep their public trading enterprises at arm's length. All this has meant that we need a Bill such as this to address the fundamental changes and the changing corporate environment in which our public trading enterprises now operate.

Governments appoint directors to boards. They then have at best indirect control and, in some cases, difficulty in monitoring the true position of those corporations. The question of Government control when we have a huge exposure through a Government guarantee is a matter of great concern to Governments throughout the world. The New South Wales Government had even considered in its State Corporations Bill actually removing the guarantee. I do not believe that that is possible. I have come to the conclusion that, in the case of banks where there is a huge exposure to Government guarantee, the only solution to it is the sale of such corporations.

I believe that nowadays, in the changed corporate environment I have talked about, the risk is too great for Governments to be involved in such business when there is such a large exposure through the Government guarantee. However, this Bill is about far more than that. The Public Corporations Bill is a major reform of public trading enterprises. It brings a much greater level of accountability to those trading corporations, and I believe it is something that all members of this House should strongly support.

Mr GUNN (Eyre): This measure is particularly important, because it puts before the Parliament a detailed document which it is hoped will ensure that the public corporations of this State are properly managed, that the Government is advised and that Parliament is kept informed of their activities. From the bitter experience of recent times it is quite clear that there is a need to ensure that those people who are appointed directors of Government statutory authorities and corporations not only have skills and professional knowledge but also integrity and that they be quite fearless in their endeavours on behalf of the people of this State. In my judgment, unfortunately, many of the people in the past who have been involved in some of these corporations have not had the necessary skills and we are all now the victims of their mismanagement and in some cases, in my judgment, their dishonesty, with the consequences then being inflicted upon the rest of the community.

It is incumbent on the Government of the day, however, whoever the Government may be, to ensure that all corporations act in accordance with normally accepted business procedures and that the people who are put on those boards can discharge their duties effectively. I do not believe that that has been the case, and it is incumbent on Ministers to ensure that, when matters relating to these corporations are raised in the Parliament, those matters are actually and accurately answered.

I believe it is very important that, when these corporations report to Parliament, what is contained in the reports is not only accurate but also precise and relevant and information which the community, the Government and Parliament should know. It is no good allowing these corporations to put forward annual reports that are really only window dressing. I believe that if we are not careful that course of action can be engaged in, and that is unfortunate.

Certainly, this measure gives Ministers far more power, but I am of the view that, if the Government of the day had listened and been more professional in its dealings with these corporations that have caused so much trouble, the information would have been available much earlier. I believe that it is absolutely necessary that when we appoint people to these directorships they be paid a salary that would allow them to put a considerable amount of their time into ensuring that they are not only properly informed on the affairs of their organisation but also have the ability and assistance to be able to understand clearly what has been put before them. It is no good getting information unless they have an understanding of it and really know what is at the end of the road.

If you are to be appointed to the board of the State Government Insurance Commission, you will really need some training and knowledge in the insurance industry and to have some advice on investment policy and trends because, when you invest very large sums of money, as we have seen in the past, without a great deal of difficulty you can be encouraged, led or induced to put money into ill conceived projects.

Mr Ferguson: I bet you haven't done that.

Mr GUNN: I have always tried to be prudent; it might be my Scottish highlands ancestry. One of the things we should ensure is that people are not rushed into making quick conclusions or allowed to be unduly hassled by people to come to a conclusion. I have always found that when people want decisions made quickly they often have an ulterior motive, and that applies in the case of these corporations. Today we are discussing a very important measure, and I will not allow the Government's professional spruiker, the member for Napier, to sidetrack me, because I am particularly annoyed that for a number of generations the people of this State will pay a very heavy price for the unfortunate management of a number of our State corporations.

Therefore, the provisions in this Act dealing with the duties of directors and the control which Ministers and others may exercise, which are quite precise, are very important, and I refer particularly to clause 15, which deals with the duties of directors. When the Minister responds, I want to raise with him whether the Government will be arranging for directors of these

public corporations to undertake training. I understand that a number of professional organisations conduct training courses for directors to make them aware of their responsibilities under Commonwealth legislation and other legislation. Will it be a mandatory requirement for these people to attend seminars so that they are in a position to discharge their duties adequately?

My view is that they would be very foolish if they did not avail themselves of this facility and that the Government would be foolish if it did not insist that they take the trouble to acquaint themselves of their responsibilities in this way. I regard this legislation as important. We are paying a very heavy price, because the Government was not diligent and directors were easily misled in the past, and I therefore have no difficulty supporting the Bill.

The Hon. T.H. HEMMINGS (Napier): Obviously, I support this measure. If one was a cynic, as we have just seen with the member for Eyre, one could say that we are shutting the stable door after the horse has bolted. I found the Deputy Leader's contribution also rather strange when he droned on earlier today about the Bill. On any piece of legislation or with any action taken by this Government that can be remotely related back to the State Bank, we have this group of people opposite who have become experts on the problems of the bank from day one, telling us how they got all the information and, despite their placing all the information in front of the Government, how this Government did nothing and consequently is responsible.

I would have thought that, despite all that the Opposition has milked out of this tragedy which affects every South Australian, despite the way it has used scare tactics—aided and abetted, I might add, by the *Advertiser—to* reduce the confidence of the people of South Australia in the retail section of the State Bank, from the Deputy Leader there would have been at least some recognition that this piece of legislation was good for the State.

Mr S.J. BAKER: Didn't you listen?

The Hon. T.H. HEMMINGS: Not only are we talking about the State Bank—the State Bank actually brought the whole thing to a head—but this Bill has come into the Parliament because the Government believes that if it is to accept final responsibility and accountability for the functioning of any of its trading enterprises it must have the authority to control and direct those enterprises, subject to safeguards, in order to ensure that the power is not used inappropriately.

The Deputy Leader interjected and asked whether I was listening to his contribution. No, Sir, I did not listen to all of it, but what I did listen to was the typical, 'I told you so; why didn't you listen to me?' I could turn that argument right back to the member for Light and his colleagues when the State Bank legislation was going through, containing a clause in relation to the State Bank which might not have been as all-embracing as this legislation but which at least did bring accountability and responsibility back to the Minister who was responsible.

But we all know what happened, Sir. You know what happened and I know what happened. The member for Light, on behalf of his colleagues, introduced an amendment which took that away from the Parliament and the Minister, and now members opposite tell us that this was all so necessary—because of what happened within the State Bank. No-one will deny that the problems of the State Bank prompted this piece of legislation. What I am saying is that if the member for Light had not been so keen to score cheap political points off the Government in those far-off days perhaps we may not have had the situation we are in today with regard to the State Bank.

If we did not have that situation with the State Bank, let me tell you, Sir—and I am not a betting man—that I would be prepared to bet the whole of my superannuation on the fact that this Government will win the next State election. As it is, despite the millstone of the State Bank hanging around our neck, we are in there with a real show. Why, Sir? Because not only this Bill but also that visionary Meeting the Challenge statement and package introduced yesterday by the Premier have been noted by the people of South Australia.

Members interjecting:

The Hon. T.H. HEMMINGS: We have the usual forced laughter coming from those hyenas opposite, but we have seen that before. On 13 March, despite one million people being unemployed, despite every newspaper and every television station—

The SPEAKER: I trust that the honourable member will link his remarks to the Bill.

The Hon. T.H. HEMMINGS: I am, Sir. I have had comments from members opposite while I have been speaking to this Bill, which was introduced by the Minister and which shortly I will sum up admirably on behalf of the Government.

Mr S.J. Baker interjecting:

The Hon. T.H. HEMMINGS: Sir, I should not respond to interjections, but when the Deputy Leader says, 'Why don't you shut up', and I look up at the clock and see 13 minutes left, it always guarantees that I shall be here until the clock ticks over to zero. I would advise the Deputy Leader to listen in silence and then I might sit down. Despite the view of the Opposition with regard to this kind of legislation and, bearing in mind the Premier's Meeting the Challenge statement that he made yesterday, I say that we are in there with a shot. And we are in there with a shot!

Sir, you might ask why, and that was why I was alluding to the Federal election scene. I was trying to link the thing together. Despite this so-called disaster, what is happening? Their own Leader is failing miserably with regard to any degree of confidence that the South Australian public may have. They are not my words, Sir; they are the words of the *Advertiser*. The Premier has been in the job for only seven months and he has already overhauled that excuse we have before us as the Leader of the Opposition.

Mr BECKER: On a point of order, Mr Speaker, I refer to the matter of relevance. I am wondering whether the member for Napier can advise us what clauses he is addressing in the legislation.

The SPEAKER: Order! I have, as the member for Hanson well knows, drawn to the attention of the member for Napier the need for relevance. I uphold the point of order and ask the member for Napier to relate his comments to the Bill or the clauses of the Bill, or leave will be withdrawn.

The Hon. T.H. HEMMINGS: Sir, I am relating my comments to the mechanics contained in the Bill which are based on the following principles:

> ...the establishment of clear and non-conflicting objectives and targets for public corporations—

on which I have not yet touched—

> and an appropriate balance of ministerial control and managerial responsibility and authority combined with a clear line of accountability from the corporation to the Minister and thence to the Parliament.

That is the key, Sir, on which I have based the whole of my 10 minute contribution so far. With this clear line of accountability we will no longer be in the position we were in with regard to the State Bank. Again I remind members opposite—they do not like being reminded—that one of their own members and their combined voting power ensured that that line of accountability and ministerial responsibility was taken out of the State Bank Act.

That is what I am saying, and the member for Hanson knows that. The member for Hanson has had more banking experience than even Tim Marcus Clark. In fact, if I had had to choose the General Manager of the State Bank, I would have chosen Heini Becker. But, unfortunately, I was overruled in Cabinet. I can assure the member for Hanson he did at least get three votes. Anyway, I digress. I will not say any more because I know the member for Henley Beach wants to say a few words. However, I remind members of the Opposition that they do not have the next election all sewn up. There is every chance that we will come back and win the next election, but I will be gone. I look forward to you, Sir, spending another four years in that Chair because I am sure that the Parliament will reappoint you to that position.

Mr FERGUSON (Henley Beach): I will be very brief, unlike my colleague from Napier. I support the Bill because of its very great content. I am not as confident as the Deputy Leader when he said that board members should have powers equivalent to those of people in the private sector. I am looking for better ways of determining our future than has happened thus far in the private sector. One only has to refer to some very prominent board members such as George Herscu, Bond, Skase and Spalvins and the dilemma that has recently occurred with the Westpac Banking Corporation in which it had to sack half its board at its annual general meeting. I would hope that there is more accountability with the provisions that we are now putting forward than has happened thus far in the private sector.

If the Deputy Leader of the Opposition were to take into account what has happened to shareholders in the private sector, he would be even more aghast than he is when he talks about the shareholders in the State Bank. I have some knowledge of what is happening in that field, because the $3.5 billion that has been lost so far as the State Bank is concerned does not compare with the amount of money that has been lost in total by the private sector. I have a lazy $100 in my pocket to say that I would put up that proposition if the Deputy Leader would like to match it.

The SPEAKER: Order! That is an invitation to gamble and is definitely out of order in the House.

Mr FERGUSON: I know someone who has a lazy $100. It wasn't me, Sir.

The SPEAKER: Order! We can drop all references to gambling in this debate.

Mr FERGUSON: Although this Bill contains many provisions, I want to refer to only two, one of which involves a review of the remuneration practices to ensure that, whilst ward fees adequately reflect the new accountabilities, directors are precluded from accepting fees for service on the boards of subsidiaries except as authorised by the Government. This is an important provision. I raised the question of off balance sheet companies in respect of the State Bank in this place. I was the one who raised the question in the Estimates Committees. My question has since been much quoted by members of the Opposition. I was deeply concerned when the State Bank officials were brought down here to be questioned by the Parliament with respect to the off balance sheet companies.

One of the questions raised, which was not answered and which did not get answered until the matter was processed in the royal commission, was, 'What directors' fees were being paid to the directors of the State Bank in the off balance sheet companies?' When that question came to light, we found that a considerable amount of padding was going on to directors' fees, which at first glance seemed to be quite modest. However, when you added up the other fees that were being paid through other subsidiary companies, the situation was becoming quite ridiculous. I do not want to go too far into that matter because it was quite adequately covered in the royal commission. I know, from my service on the Economic and Finance Committee, that that practice is still continuing in certain Government areas. For example, I was surprised that certain members of the Grand Prix Board are receiving fees not only in one direction for their board service but also in other directions. I hope that this is not multiplied through our existing Government enterprises.

Billions of dollars are tied up in Government enterprises, and that is quite apart from the State Bank. When one looks at WorkCover and the huge amounts of money that are being handled by other Government agencies, one sees that this legislation is very necessary. When I was a member of the Public Accounts Committee I regret that it decided to turn away from giving the Auditor-General the opportunity to audit the operations of all Government corporations. At one time, there was a proposition before us that we recommend to the Parliament that the Auditor-General, for example, have the power to audit the State Bank. At that time, the committee decided that we did not want to alarm the public and start a run on the State Bank, and we opted to be cautious and not follow that proposition. I regret the fact that we never took the opportunity at that time to recommend to the Parliament that the Auditor-General have the powers that are contained in this proposition. The proposition is quite clear: there will be greater authority for the Auditor-General to audit the operations of corporations and their subsidiaries.

I hope that the Auditor-General has the power to audit the operations of all the subsidiaries. Although he may not have the staff to be able to do it, at least he will have the authority to be able to contract this out to auditors in

the private sector and, of course, he will have his finger on the information that will be available from those operations. This is an excellent measure; it is very necessary. It is something that should have come in perhaps seven or eight years ago. However, it is still very necessary, and I support the proposition.

Bill read a second time.

In Committee.

Clause 1—'Short title.'

Mr S.J. BAKER: When the Bill was being considered in another place, the Attorney undertook to provide the shadow Attorney-General with details of the submissions that he had received from the various statutory authorities. I have looked at the file, and I cannot find those submissions. Will the Minister provide the details? I understand from the debate in another place that there was a great deal of consternation and, in some cases, the departments and authorities affected rejected the public corporations proposition. The Attorney said he would get back to us on that matter.

The Hon. R.J. GREGORY: My advice is that an undertaking was given that some information would be forwarded to the Opposition.

An honourable member interjecting:

The Hon. R.J. GREGORY: My advice is that that information, as undertaken by the Attorney-General in another place, will be provided to the shadow Attorney-General when it has been compiled.

Clause passed.

Clause 2—'Commencement.'

Mr S.J. BAKER: The Opposition has been advised that this Bill will take effect in September when the first of the authorities is brought under the provisions of this legislation. I note that in another place the Attorney-General listed the organisations which could be subject to this legislation. In his initial list he referred to the Electricity Trust of South Australia, the Pipelines Authority of South Australia and the Urban Lands Trust. Later he extended the list to include the Adelaide Convention Centre, the Australian Formula One Grand Prix Board, the Lotteries Commission, the South Australian Housing Trust, the South Australian Timber Corporation, the South Australian TAB, the South Australian Meat Corporation, the State Clothing Corporation and possibly the State Transport Authority.

That information was supplied on 30 March 1993. Can the Minister explain why the Government at that time was talking about corporatising ETSA, yet according to the vision statement, our economic future statement yesterday, that will not happen? ETSA is now to be combined with the E&WS and it will have to be sorted out from there. Was the bringing together of ETSA and the E&WS a last-minute thought?

The Hon. R.J. GREGORY: That may have something to do with something somewhere else, but it has nothing to do with this Bill.

Mr S.J. BAKER: I do not want to press the point too much. The fact is that the Attorney-General said that the Electricity Trust of South Australia, as a single entity, was due to be corporatised and brought under the provisions of this Bill. That was on 30 March 1993. Yesterday, 22 April, some 23 days later, we find it is suddenly to be cobbled together with the E&WS. Has there been a sudden change in policy direction?

Clause passed.

Clause 3—'Interpretation.'

Mr S.J. BAKER: I will not repeat the debate in another place, which went on for about an hour, if we read the *Hansard* record, in relation to the principle of creating a corporation and a subsidiary. I note the reference in the Bill to the definition of 'subsidiary', as follows:

> a body corporate established as a subsidiary of the public corporation by regulation under Part 5.

The Attorney-General said that the regulatory process was a defence mechanism whilst the shadow Attorney-General said that this was another way of escaping the attention of the public. The two principles that were expounded at the time were that, if we had the chance to regulate, we could regulate in any company under the provisions of this Bill by regulation, and the proposition was that it should be by legislation. Greater concern was expressed about subsidiaries. Because of the regulatory process, it was possible to set up small on-balance sheet or subsidiary companies merely by a notice in the *Gazette.* I draw the attention of the Committee to that important debate. I have an amendment to clause 5, which I will discuss later, but I commend that debate to all members. I believe that when we set up entities which have a market orientation, they should be set up by legislation. I will deal with that principle when we come to clause 5.

The Hon. R.J. GREGORY: I thank the member for Mitcham for his observations on this matter.

Clause passed.

Clause 4 passed.

Clause 5—'Application of Act.'

Mr S.J. BAKER: I move:

Page 5, lines 7 to 11—Leave out all words in these lines.

I alluded to this matter when I discussed subsidiaries in relation to clause 3. It is clear that the Government should not be able by proclamation, at the stroke of a pen, to establish minor companies which have the capacity to operate outside the mainstream of the public sector. They should be constituted properly by legislation.

The Hon. R.J. GREGORY: I have listened with interest to the member for Mitcham in respect of this matter. There is a need to have within the legislation a provision enabling a company to be brought under the legislation by regulation. The honourable member has been in this place long enough to know that regulations can lie on the table for a period of time and notice of motion can be given for their disallowance. In effect, it means that this House determines, by lack of action, whether a regulation has some standing in the community, or, by action, it can move that the regulations be disallowed. Consequently a particular corporation could not then be brought under this legislation. I do not see why we need to remove that provision. This allows for a speedy use of the provisions of the Bill, when it becomes an Act, to apply in the best interests of the people of South Australia.

Mr S.J. BAKER: Whilst we do not have off balance sheet companies being set up, I will mention that the State Bank had one or two, then 52 and then 78 subsidiary off balance sheet companies, and they were easily created. The process of regulation allows them to

be created very easily, and it is beyond the scrutiny of Parliament. This matter has been well discussed in another place. I simply make the point that we cannot allow a Government, especially during times when it has held a large majority, to believe that it can control these entities and not exercise that control. We have seen that with the State Bank and SGIC. I shall not be dividing on the amendment; I simply make that point.

The Hon. R.J. GREGORY: My advice is that, if this Bill had been enacted by the Parliament, a number of the matters to which the member for Mitcham has alluded would not have occurred, because they would have become public knowledge. Indeed, the then Premier would have been properly advised by the State Bank as to how many subsidiaries it had.

Amendment negatived; clause passed.

Clause 6—'Control and direction of public corporations.'

Mr S.J. BAKER: I will make the point briefly given the circumstances in this House at the moment. We are not sure whether it is the air conditioning system or whether the building is on fire. It is an unusual circumstance, so I will be very brief. Regarding control and direction by the Minister, I made the point previously that we cannot, on the one hand, have control and direction in its totality whilst, on the other hand, we have an organisation which is commercial, which is competitive and which is operating in the marketplace, in many ways as a private sector contributor to the industry and commerce of this State. Those aspects are incompatible, because we know, politics being what it is, that Ministers' directions can relate to their electorates or to areas of South Australia that are deemed to be marginal for election terms. Strategic decisions are made by Governments which take away from the commerciality of the decisions to be made.

I make the point that the control and direction of the Minister essentially invokes the concept that the Government, representing the tax payers, should ensure that the corporation operates in the best interests of the taxpayers but, unfortunately, where there is overall control and overall direction, there is the potential for political manipulation. We also have the potential to take away from the capacity of that organisation to perform adequately in the marketplace. Other clauses of the Bill are also involved, but I will not reiterate the argument.

The Hon. R.J. GREGORY: I thank the honourable member for taking the opportunity to say a few words in respect of this matter. I would draw the honourable member's attention to the whole content of this clause. A corporation is to be subject to the control and direction of the Minister: it is not to be subject to the Minister's whim so that the Minister can say, 'Do this and do that' without any political consequences. It is quite clear that, if the Minister does give directions, a number of things have to follow. There is a provision that a direction has to be in writing. Once that direction is given, it is to be published. It has to be done by notice in the *Gazette* within 14 days and by tabling in the House within six days after its publication in the *Gazette,* and the corporation must cause that direction to be published in its next annual report. With all the fertile imagination in the world and the conniving that anyone could get up to, how can the Minister be subject to the whims of people in his electorate? He has to publish it for all the world to know.

I want to say something else about this. I heard the honourable member talk about the 'dead hand of Government'. I heard him say 'at arm's length' and 'protecting the taxpayers', and I thought I was back in the debate on the State Bank Bill, when there was talk about the Government being at arm's length from the bank. As soon as something went wrong, these Monday morning footballers, these Monday morning full forwards, these Monday morning full backs, knew what should have been done on Saturday afternoon. The only problem was that they were not doing it on Saturday afternoon when the match was being played, and I am referring to the State Bank. They are full of advice about what ought to have been done but not at the crucial time when it was happening.

When one looks at the whole of this clause, one sees that, whilst the Minister does have care, direction and control, the Minister also has the responsibility to ensure that those directions are published. I think that is right and proper. It is not ducking the issue: it is letting everybody in South Australia know what it is doing. I have made clear to one board for which I am responsible that, if it cannot, at board level, reach an agreement about a certain matter, it will get a direction from me, and I will be directing that it publish that direction in its annual report. I am not going to hide from that; I will make it quite clear that it must do that.

I hope that the corporation will quickly conduct its affairs in accordance with this Bill when it becomes an Act, because I would welcome the publication of the directions I will be giving to those people. I think it is right and proper. At the same time, if Ministers as elected members are to have responsibility for the operations of corporations, let it fall on their heads when we have had a say in it. What I do not like are insinuations from the Monday morning full forwards, 'If they had just kicked a few more goals they would have won the game.' The trouble is half of them do not even play in the team, and that is the problem. It is all right on the Monday morning to tell team members how they might have won the match if they had done this or that, but on Saturday afternoon, when the game was played, they were not there and, if they were, they were not kicking the goals anyway.

That is what it gets back to with the State Bank. Sure, it is good that there is talk about 'at arm's length' and 'the dead hand of Government not being on it'. I heard members opposite when that debate was on. As a matter of fact, I thought I was going back into time. This clause is clear and precise and it invokes a fundamental principle: if you give direction, people ought to know the direction you are giving.

The CHAIRMAN: I have a health, safety and welfare bulletin. The problem is alleged to be in the air conditioning, which is being turned off. I have been informed that the smoke that is in this Chamber will be clearing soon, so there is no cause for panic.

Mr S.J. BAKER: I appreciate what the Minister said. Of course, the directions have to be given in writing, but I would also make the point in very clear terms that it does not need a ministerial direction for the Minister or his assistant to ring up the Chief Executive Officer, and

it does not need a ministerial direction for someone to ring up the directors on the board. We all appreciate that there are more ways to skin a cat than writing out a written instruction to achieve that end.

I do appreciate that we are going as far as we possibly can with the Bill in terms of the safeguards in insisting on their being in writing. I happen to know how politics works; I happen to know how Governments work when they interfere with organisations on matters of policy and not on matters of accountability. If there had been some interference on matters of accountability, we would not have had the disasters that we have had. I do take the Minister's point and it is understood, but I would also point out that it is easy to get things done when you are in government.

Clause passed.

Clause 7—'Provision of information and records to Minister.'

Mr S.J. BAKER: The important aspect of clause 7 is that the furnishing of material does not stop the Minister from getting sensitive material. I understand it has to be in writing. The matter was extensively debated in another place. There should be greater safeguards. I understand that the Minister has to put in a request for information in writing. He does not have to give reasons: all he has to do is ask for certain information to be supplied, and perhaps we will have to look at that at a later stage. It is open to some sort of abuse, but there is a need to provide information. The clause as it stands is very sound, but it might need modification at a later stage.

The Hon. R.J. GREGORY: I thank the member for Mitcham for his gratuitous advice, but just which world do we live in? The Minister might want sensitive information. The Minister is the person responsible to this Parliament for the organisation and he ought to be entitled to it. What the member for Mitcham is saying is that, if the State Bank had been asked a lot of the sensitive questions that is claimed should have been asked, and if Marcus Clark said 'No', that is all right. You cannot have it both ways.

There ought to be accountability and responsibility to the Minister. It is the Minister who has to get up in this House or in another Chamber and account for these organisations. He is the person who presents the annual reports to this Parliament; he is the person who is ultimately responsible in the eyes of public, and there should be no hiding from it. I can understand the thinking of the member for Mitcham.

I can well recall a certain Police Commissioner who thought he had a responsibility to a higher authority. I think the responsibility of Ministers and public corporations is to this Parliament, and the only way that Ministers can be responsible to this Parliament is to be properly and fully informed by their corporation. If Ministers are using that information for improper purposes, they will soon be found out and dealt with by the public, and that is how it ought to be.

Mr S.J. BAKER: I am amazed. If the Minister did not sleep so often, he would understand the debate. The Minister should not spit his dummy in this debate. He should go back and read the debate that actually occurred in another place. The sensitive information was personal information: it was not about the organisation at all. If he had just read the debate from another place, he would have understood the Bill with which we are dealing. We were talking about personal, intimate details. We were not talking about the operation of the organisation; we were not talking about commercial decisions; we were not talking about strategic positions taken in the marketplace; we were talking about individual's details-sensitive information about people. I said that there is a difficulty in how we control that exercise, and that it appeared that the clause was going as far as it could at the time. The Minister got himself hot and bothered for nothing. I agree with the Minister. The Government should damn well know about it. It should have known about the State Bank, the SGIC, SATCO and Marineland—it should have known about a whole lot of things. The Minister has no argument with me. The argument is about the level of detail.

Clause passed.

Clauses 8 to 10 passed.

Clause 11—'General performance principles.'

Mr S.J. BAKER: I make the observation to which I alluded previously: when there is ministerial direction and control regarding the way an organisation runs itself, it may well be in conflict with clause 11 (1) which provides:

> A public corporation must perform its commercial operations in accordance with prudent commercial principles and use its best endeavours to achieve a level of profit consistent with its functions.

I just make that point.

Clause passed.

Clause 12—'Corporation's charter.'

Mr S.J. BAKER: I move:

Page 11, after line 3—Insert subclause as follows:

> (9) The charter ceases to have effect if either House of Parliament passes a resolution disallowing the charter in pursuance of a notice of motion given within 14 sitting days (which need not all fall within the same session of Parliament) after the charter was laid before the House.

Again, the debate has been well canvassed. We do believe that the Parliament should have a right to scrutinise regulations, and it should have a right to scrutinise charters. There should be a right of disallowance on those charters if it is believed something is not in the best interests of the people of South Australia. For that reason, we are attempting to insert this subclause.

The Hon. R.J. GREGORY: My advice is that the arrangements in the Bill are premised on the need for a strong chain of accountability between the board and the Government and, as I said earlier, between the Government and Parliament. The provisions relating to charters are designed to give the Government greater scope to set parameters for a board's decision-making processes. This is preferable from the point of view of accountability, as it affords an opportunity to manage risk and refine the relationship between Government and the board on an ongoing basis.

The amendment moved by the member for Mitcham would give the Parliament the right to intervene in the relationship between the board and the Government, in effect breaking the chain of accountability and usurping the legitimate role of the executive Government. It would also weaken the accountability of the Government to Parliament rather than strengthening it.

Accountability should be based upon performance and, in particular, Parliament should assess the performance of the Government and its statutory corporations on their performance rather than intervening in the day-to-day running of the operations. Finally, there is a significant risk with any statutory authorities operating in competitive markets that continuing debate on them in Parliament will undermine their ability to compete. The proposed amendment invites such debate.

Mr HOLLOWAY: It is a requirement that, when a charter is amended or comes into force, a copy be presented to the Economic and Finance Committee of the Parliament. That is a very good idea. However, it adds to the number of statutory functions of that committee. Already the MFP reports must go to that committee. In yesterday's Economic Statement, the Government pointed out how the Economic and Finance Committee has a role in the elimination of statutory authorities. It is certainly a trend that the Economic and Finance Committee is expected to undertake an increasingly large number of functions. I believe it can do that only if it is given sufficient resources to do so.

Until the Economic and Finance Committee receives adequate resources, any accountability provided by reference to that committee might well be illusory unless it has sufficient resources to adequately perform its task. I would hope that the Government would take that into account.

Amendment negatived; clause passed.

Clauses 13 and 14 passed.

Clause 15—'Directors' duties of care, etc.'

Mr S.J. BAKER: I make two observations without getting into a debate with the Minister, given the circumstances. The first is that the duties of directors do not line up with the Corporations Act. Secondly, I defy anyone, including a lawyer, to tell me what subclause (5) actually does. It provides:

> A director is not culpably negligent for the purposes of subsection (4) unless the court is satisfied the director's conduct fell sufficiently short of the standards required under this Act of the director to warrant the imposition of a criminal sanction.

There is an incompatibility between those two statements, but I will not argue the toss of the coin at this hour of the day.

The Hon. R.J. GREGORY: I think it is a worthwhile argument. My advice is that the provisions that the Government has included in this Bill are more explicit and direct regarding the directors' duties of care. My advice on that is that the Corporations Act deals with a vast diversity of organisations, from as large as BHP to the small companies known as 'mum and dad companies'. When one thinks about prescribing in an Act the duties of care for directors of those organisations to get it to appear to be right, it has to be fairly general, whereas my advice is that the provisions in this Bill are very specific and more to the point. I have read through these provisions, and they are exactly the provisions I applied when I was a member of a couple of statutory boards prior to entering this place. I thought they were the proper things I should have done as a member of those boards. It is only proper that we set this out so that people have a guide and know exactly what to do.

Clause passed.

Clauses 16 to 18 passed.

Clause 19—'Conflict of interest.'

Mr S.J. BAKER: This clause provides that the director is not required to file a statement of his personal affairs, as are members of Parliament. It would appear to be a little inconsistent with some other changes that have been made, but I will leave that matter alone. Does subclause (7), which provides for the divesting of the conflicting interests under ministerial direction, require that that be in writing, with the reasons provided?

The Hon. R.J. GREGORY: This subclause does not specifically require it to be in writing, but that would be the practice in most instances; I have certainly done that as a Minister.

Clause passed.

Clauses 20 to 25 passed.

Clause 26—'Guarantee or indemnity for subsidiary subject to Treasury approval.'

Mr S.J. BAKER: I refer members to the debate in another place, which again was reasonably extensive. If a board fails in its duty and gives a guarantee or an indemnity which it has no right to grant, that is, it gives a Government guarantee, does that mean that the guarantee is voided if the board has not acted responsibly or has made a mistake?

The Hon. R.J. GREGORY: My advice is that the member for Mitcham has it correctly.

Mr S.J. BAKER: I would simply make the observation that there will have to be a great deal of education for members of the public to ensure that they realise that boards can make mistakes, and they cannot assume that organisations have indemnities or can provide Government guarantees. I would hate the public to think otherwise and make mistakes on that basis.

The Hon. R.J. GREGORY: It is an assumption that people make that all big companies give guarantees. This clause provides that they must not do that without the approval of the Minister. I think that is perfectly proper and that the member for Mitcham would agree that it is perfectly proper that under no circumstances should any organisation that has ultimate responsibility to the Government and the Treasurer give such a guarantee without the full consideration of the Treasury, because that then means the Government knows what it is up for if that organisation fails. I think that is proper.

Clause passed.

Clause 27 passed.

Clause 28—'Guarantee by Treasurer of corporation's liability.'

The Hon. R.J. GREGORY: I move:

> That clause 28, which appears in erased type, be inserted in the Bill.

Clause inserted.

Clause 29—'Tax and other liabilities of corporation.'

The Hon. R.J. GREGORY: I move:

> That clause 29, which appears in erased type, be inserted in the Bill.

Clause inserted.

Clause 30—'Dividends.'

Mr S.J. BAKER: I would make the observation that the debate has been extensive in another place. The Bill still allows for payments to be made on return on capital. This is provided under the definition of 'dividend or payment in the nature of return on capital', but it does not mean the organisation is making a profit, and that

again can cause strain and stress on that organisation if the Government is short of money.

The Hon. R.J. GREGORY: I would have thought that the dividends approved by the boards may not have been approved at shareholders meetings, that the shareholder of a wholly owned Government organisation would be entitled to have a say in this matter, and that this is a fit and proper way for it to be done. It becomes public knowledge, and the responsibility just cannot be avoided in this area. It is a public organisation, responsible to Government. I heard the member for Mitcham talking about milking ETSA but, if we used its own self-professed return that it thinks should be paid on the organisation's invested capital, the Electricity Trust would be paying twice what it now pays to the Government.

Clause passed.

Remaining clauses (31 to 43) passed.

Schedule.

The Hon. R.J. GREGORY: I move:

That the schedule, which appears in erased type, be inserted in the Bill.

The CHAIRMAN: I have to advise that there is a clerical error in the schedule: on page 37, clause 4(6), the word 'section' should be 'clause'. The clause should now read:

A director of a subsidiary does not commit any breach of duty under this clause by acting in accordance with a direction of the board of its parent corporation.

Schedule inserted.

Title passed.

Bill read a third time and passed.

CRIMINAL INJURIES COMPENSATION (MISCELLANEOUS) AMENDMENT BILL

Second reading.

The Hon. G.J. CRAFTER (Minister of Housing, Urban Development and Local Government Relations): I move:

That this Bill be now read a second time.

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

Leave granted.

The Government has, over a number of years, put forward and implemented initiatives to assist victims of crime. These measures have included improvements to the Criminal Injuries Compensation Scheme. The amount of compensation available for Criminal Injuries Compensation has been increased (over time) from $10 000 to $50 000.

The Act has been amended to include discretionary powers to make *ex gratia* payments. Interim payments to victims in need are now possible.

A Criminal Injuries Compensation Fund has been established and this Fund receives money from persons expiating or found guilty of offences. In addition a Declaration of Victims Rights has been developed, which includes the use of Victim Impact Statements in Court.

This Bill makes a number of amendments to the *Criminal Injuries Compensation Act.* The major amendments (which for ease of reference are explained in the order in which they appear in the Bill) are as follows:

The proposed new section 7 (3) and (4) will require the applicant for compensation to notify the Crown Solicitor three months before making an application to the Court. This change results from a recommendation made in a report into delays in the Criminal Injuries Compensation Division in the District Court. The Report made a number of recommendations, some requiring legislative change and others requiring changes in court procedures.

The report identified the need to give the Crown advance notice of a claim as a means of enabling the Crown Solicitor to enquire into the circumstances of the claim before proceedings are commenced. The period of three months should enable the Crown Solicitor to obtain a report from the Police Department or any other source. The object of the new procedure is to enable the Crown in appropriate cases to settle matters without the need for proceedings to be instituted. This matter is discussed further below.

The report did in fact recommend a period of two months notice but following discussions with the Assistant Crown Solicitor in the Civil section of the Crown Solicitor's office it was determined that three months was a more appropriate time.

The Bill introduces a new method for the calculation of the compensation under the Act. At present, compensation is determined by the Courts on the basis of a common law assessment of damages, and then the Act requires a formula to be applied to determine the amount of compensation to be awarded. The formula (which has been in the Act since the time the Act was substantially reviewed and re-enacted in 1978) requires that the amount awarded be $2000 plus 3/4 of the amount above $2000. Where the applicant is awarded $2000 or less the applicant is awarded the full amount. The rationale for the formula is that the Criminal Injuries Compensation Act is not a total compensation scheme, it is a compensation of last resort and cannot meet the full amount of damages awarded.

The Bill provides that compensation will be assessed using a method now successfully used in the calculation of the non economic loss component of motor vehicles injuries claims under the *Wrongs Act.* Non financial loss (defined in the Bill to be pain and suffering, loss of amenities of life, loss of expectation of life and disfigurement, which is the same definition used in the *Wrongs Act)* is to be assigned a numerical value on a scale running from 0-50 the greater the severity of the non financial loss the greater the number. The amount to be awarded for non financial loss is to be calculated be multiplying the number assigned by $1000. This means that the maximum amount of non financial loss will be $50 000. It is expected that the introduction of a provision of this nature will result in a greater consistency of awards. The formula set out in the Act (and explained above) will not apply in relation to the amount of damages awarded under this head, in other words the applicant's award under this head will not be discounted. In relation to damages for financial loss the formula will be retained. (That is to say the applicant will receive $2000 plus three quarters of the amount above $2000). The aggregate maximum will remain at $50 000.

The inclusion of additional words in Section 7(9)(a) arises from a need to take account of so called "revenge" injuries. These injuries can best be described as situations in which A injures B then at a later time B injured A. In a case late in 1991 the Full Court of South Australia considered the present wording of section 7(9)(a) and (b) in a case with the following facts:

6/7/88 T stabs N

19/1/89 T convicted of wounding with intent to do grievous bodily harm and imprisoned
23/11/89 N applies for compensation
7/12/89 T released on parole
then, only 4 days later
11/12/89 N shoots T

The majority of the Court considered that the shooting by N of T was not a circumstance relevant to the determination of N's claim for compensation. The minority view (supported in argument by the Crown) considered N's disregard of the law had a sufficient nexus with the wounding of him by T and that in all the circumstances N's application for Criminal injuries compensation should have been dismissed. It is considered that the inclusion of the additional words will enable the Courts to take into account a broader range of circumstances in determining whether the conduct of a victim is such as to disentitle him/her to compensation.

Section 7(9a) is expanded to include two factors not presently required to be taken into account. At present a court must not make an order for compensation where the applicant failed to report the offence to the police or failed to co-operate properly with the police in the investigation of the offence. The failure must be without good reason and must hinder the police to a significant extent in the conduct of their investigations. The Crown Solicitor has advised that if the interpretation currently accorded to the provision by the Courts remains, there will be very few circumstances in which the State will be able to avail itself of the defences as set out. The section is therefore amended to include additional provisions which will require the Court to refuse an order for compensation where the claimant failed without good reason, to provide information as to the offenders identity or whereabouts and refused or failed to cooperate or give evidence in the prosecution of the offender.

The minimum amount of compensation that can be awarded is currently $100. This figure has been in the Act since it was first enacted in 1969 and has never been increased. The minimum is increased under the Bill to $500.

A new provision is inserted by the Bill to put it beyond doubt that interest will not be payable by the Crown under the provisions of the *District Court Act* on the amount of compensation ordered under the Act. This makes express the current practice.

The new section 7(14) relocates and clarifies the provision dealing with the interrelationship of this Act and the motor vehicles insurance provisions. The provision makes it clear that where the offender is insured in respect of liability incurred in respect of the injury by the requisite motor vehicle insurance then no order can be made for compensation under the *Criminal Injuries Compensation Act*. The clarification is necessary because several cases have arisen where a claimant is not really covered by either motor vehicles or criminal injuries legislation.

Provision is made for the Crown to be represented in preliminary or interlocutory proceedings or proceedings for a consent order by a person nominated by the Attorney-General. At present much of the Criminal Injuries Compensation work in the Crown Solicitors Office is done by law clerks. The Senior Law Clerk has been refused leave to represent the Crown at pre-trial proceedings in CIC matters, this is in spite of the fact that law clerks from the private profession regularly appear in these matters. It is intended therefore to use this provision to allow the Senior Law Clerk to represent the Crown in Pre-trial procedures together with proceedings for consent orders so that the Crown is in the same position in this regard as other practitioners.

The *ex gratia* payment provisions are expanded to allow for payment to persons ordinarily resident in this State who are injured out of the jurisdiction. It will be a precondition of such a payment that a person is convicted of the offence and the applicant has taken reasonable steps to secure compensation under the law of the other place if it is available. In addition, the Attorney-General must be of the opinion that compensation under the Act would have been awarded if the offence had been committed in this State and that the applicant is in necessitous circumstances.

The Bill makes provision for the Criminal Injuries Compensation levy to be increased. The Criminal Injuries Compensation Fund, which is established pursuant to the Act, receives principal funding from—

(a) the state budget, at the rate of 20 per cent of all fines received; and
(b) from levies imposed pursuant to Section 13 of the *Criminal Injuries Compensation Act.*

Other sources of revenue to the fund include interest receipts from treasury on the fund balance, the recovery of payments from the party convicted of inflicting the injury, and proceeds of confiscated assets.

Levies were introduced in 1988 in order to provide continued funding without impacting further on the State budget. The levies were set at the following rates:

Expiated Offence	$ 5
Summary Offences	$20
Indictable Offences	$30
Offences by children	$10.

At the time levies were introduced, total compensation payments in each financial year had been under $1.5 million. The greatest number of compensation payments at that time had been 318 in 1987/88. Since that time, the maximum compensation payment pursuant to the Act has increased to $50 000, and the number and total of compensation payments in the last completed financial year (1991/92) were 537 and $5.03 million.

These significant increases have continued to reduce the Criminal Injuries Compensation Fund balance until it has reached the stage that the fund is requiring additional general revenue to remain in credit.

Activity in the fund during 1991/92 resulted in the fund balance decreasing by $1.3 million. The fund balance at the start of this financial year was $2.1. million. With the full impact of the new maximum compensation payment of $50 000 expected this financial year, payments are expected to exceed receipts by $2.2 million.

Criminal Injuries Compensation is a compensation of last resort, available only where all other sources of compensation are exhausted or no other compensation is available for the injury occurring as a result of the commission of an offence. Before the creation of the fund the total amount of Criminal Injuries Compensation payments came from the general revenue (and a proportion of this was recovered from offenders). The levy was introduced as a means of requiring offenders to pay back their debt for violating society's laws. The levy and other payments into the Fund are no longer sufficient to meet the outgoings from the Fund. This means that taxpayers generally are subsiding the Fund. The Government considers the initial rationale for the levy remains apposite, and that if the Fund requires further monies to meet obligations then it is principally those who break the law who should contribute to the Fund, not taxpayers generally.

Several mechanisms for increasing the revenue to the fund have been examined. The Bill increases the levy payments to the following:

Expiated Offences	$ 6
Summary Offences	$25
Indictable Offences	$40

Offences by Children $13.

These increases reflect the C.P.I. variation since the introduction of the levies. Other measures to increase the Fund which will be examined include providing the Confiscation of Profits Unit in the Police Department with additional resources to maximise the return to the Fund from this area.

The final aspect of this Bill is the delegation power provided in the new section 14b. The need for this provision is related to the first amendment requiring a notice before action. The Report in recommending a notice before action, also recommended that there be a mechanism whereby the Crown can settle matters without the need to institute proceeding where the identity of the offender is unknown or the Crown Solicitor is satisfied that it would be pointless to pursue an offender for a contribution to the compensation payable. In order to implement this recommendation it has been decided to utilise the already existing ex gratia payment provisions. In order for the Crown to be able to settle the matters suggested by the Report as suitable for settlement without action, without seeking the approval of the Attorney-General in every case, it is necessary to include a delegation power.

In all it is envisaged that these measures should result in more money coming into the Criminal Injuries Compensation Fund, and a more equitable and efficient disposition of those funds under the Act.

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

This clause provides for the measure to be brought into operation by proclamation.

Clause 3: Amendment of s. 4—Interpretation

This clause introduces a definition of "non-financial loss" that is required for the purposes of amendments to section 7 of the principal Act proposed by *clause 5(b).* The definition is the same as the definition of "non-economic loss" in section 35a of the *Wrongs Act* 1936.

Clause 4: Repeal of s. 6

The repeal of this section is consequential to the amendment to be made to section 7 by *clause 5(g).*

Clause 5: Amendment of s. 7—Application for compensation

Paragraph (a) of the clause makes new provision for a minimum of 3 weeks written notice of a proposed application for compensation to be served on the Crown Solicitor. Non-compliance with this requirement will result in an award of costs unless the court otherwise orders.

Paragraph (b) makes amendments relating to the monetary limits fixed for compensation for injury or financial loss resulting from an offence. The current limit of $50 000 is retained. The current provision for compensation to be reduced by one-quarter of the excess over $2 000 of the amount that would otherwise be ordered is retained, but only for financial loss. Compensation for non-financial loss is now to be assessed by rating the loss on a scale running from 0 to 50 and multiplying the number at which the loss is rated by $1 000. This method of assessment corresponds to that applying under s. 35a of the *Wrongs Act* 1936 for non-economic loss arising from motor vehicle accidents.

Subsection (9) of section 7 currently requires the court to have regard to the extent to which the victim's conduct may have contributed directly or indirectly to the commission of the offence or the victim's injury when determining an application for and the quantum of compensation. Paragraph (c) of the clause amends this provision to make it clear that the victim's conduct that will be relevant for this purpose need not necessarily form part of the circumstances immediately surrounding the offence or injury.

Subsection (9a) currently provides that the court must not make an order for compensation in favour of a claimant who hindered police investigations of the offence to a significant extent by failing, without good reason, to report the offence within a reasonable time or to co-operate properly with the police. This provision is widened by paragraph (d) of the clause so that it excludes compensation where the investigation or prosecution of the offence was not commenced or was terminated or hindered to a significant extent because the claimant, without good cause—

- failed to report the offence to the police within a reasonable time after its commission;
- refused or failed to provide information to the police that was within the claimant's knowledge as to the offender's identity or whereabouts;
- refused or failed to give evidence in the prosecution of the offender;

or

- otherwise refused or failed to co-operate properly in the investigation or prosecution of the offence.

Paragraph (e) of the clause includes a provision to confirm the current practice that interest is not awarded on the amount of an order for compensation under the Act.

Paragraph (fl of the clause increases the minimum amount of compensation below which no order for compensation may be made from $100 to $500.

The amendment made by paragraph (g) is of a drafting nature to maintain consistency of expression and to remove doubt that the reference in subsection (13)(b) to injury that is compensable under the *Workers Rehabilitation and Compensation Act 1986* includes death that is so compensable.

Paragraph (h) includes in section 7 a new subsection excluding compensation under the Act for death or injury if the offender is insured in respect of liability for the death or injury by a policy of insurance in force under Part IV of the *Motor Vehicles Act 1959* or under a corresponding law of another State or a Territory, or if there would be a right of action under that Part against the nominal defendant. This provision replaces the current section 6 of the principal Act which deals with this matter but is expressed in terms that do not clearly attract the limitation of insurance coverage under Part IV of the *Motor Vehicles Act* introduced by amendment of that Act in 1986.

Clause 6: Insertion of s. 10a—Representation of Crown in proceedings

The new section 10a to be inserted by this clause is designed to make it clear that the Crown may be represented in preliminary and interlocutory proceedings and proceedings for a consent order by any person nominated by the Attorney-General, that is, not necessarily by a qualified legal practitioner.

Clause 7: Amendment of s. 11—Payment of compensation, etc., by the Attorney-General

Section 11 presently allows *ex gratia* payments in the nature of criminal injuries compensation in certain specified circumstances. The clause adds to the circumstances specified the situation where—

- a person suffers injury, financial loss or grief in consequence of an offence committed outside this State;
- the victim is at the time of commission of the offence ordinarily resident in this State;
- some person is convicted of the offence;

- if the law of the place where the offence is committed establishes a right to compensation - the applicant has taken reasonable steps to obtain compensation under that law;
- the Attorney-General is of the opinion that the applicant would have been awarded compensation if the offence had been committed in this State;

and

- the Attorney-General is also of the opinion that the applicant is in necessitous circumstances.

In such a situation, the Attorney-General will have an absolute discretion to make an *ex gratia* payment in respect of the injury, financial loss or grief not exceeding the limits that would apply to the compensation that would be payable under the Act if the offence were committed in this State.

Clause 8: Amendment of s. 13—Imposition of levy

Section 13 imposes levies on offenders or alleged offenders. The levy amounts are increased as shown below:

	Current levy	*New levy*
• on a person who expiates a summary offence	$5	$6
• on a person convicted of a summary offence	$20	$25
• on a person convicted of an indictable offence	$30	$40.

The upper limit of $10 placed on the amount of the levy payable by a juvenile offender is increased to $13.

Clause 9: Insertion of s. 14b—Delegation

This clause inserts a new provision which would allow the Attorney-General to delegate power to make an *ex gratia* payment where notice of a proposed claim has been given to the Crown Solicitor and compensation would be likely to be awarded in the circumstances. Under the clause, any such delegation could be made subject to conditions and limitations and would be revocable at will and would not derogate from the power of the Attorney-General to act in any matter.

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

CLASSIFICATION OF PUBLICATIONS (FILM CLASSIFICATION) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 25 March. Page 2662.)

Mrs KOTZ (Newland): The aim of this Bill is to introduce a new classification for films and videos considered to be unsuitable for viewing by persons under 15 years of age. The new classification will mean that films under this classification may not be sold, hired or delivered to persons under 15 years of age other than by a parent or a guardian. It will also mean that any film under this new classification may not be exhibited to persons under 15 years of age unless they are accompanied by a parent or guardian.

Currently one of the classifications for films is the rating M. This Bill will create a new classification of MA which will move certain films dealing with sex, violence and coarser language into a category which will be rated higher than the current rating of M and which will have a lesser rating than the current R category. The new classification will apply to a film which depicts, expresses or otherwise deals with sex, violence or coarse language in such a manner as to make it unsuitable for viewing by a person under the age of 15 years.

It is of concern to me—and I believe my concern is shared by many—that the material available through the medium of television has not in the past been seriously taken into consideration. The majority view of concerned adults—that of protection for children and youth—has continually lost out to the argument against censorship. Of course, there have to be responsible attitudes by parents in the supervision of their children's viewing habits, but I believe that parents could be supported by greater guidance as to which television programs or videos ought not to be shown to younger children.

I also have been concerned about the increasing perception that certain categories have been allowed to include scenes of greater violence than would have been considered suitable under the initial category. This encroachment and overlap, if you like, of defined standards requires what I believe is a greater vigilance by the Classifications Board to ensure that unsuitable material is not included in categories specifically classified for children and youth.

This Bill is a minor measure in terms of legislation but its subject matter is extremely important. It makes amendments to the Classification of Publications Act implementing decisions made at the Council of Australian Governments meeting on 7 December 1992, and that was when Premiers and Chief Ministers agreed to amend State and Territory classification legislation to implement a new MA classification. I am very pleased to be able to indicate the Liberal Opposition's support for this Bill.

The Hon. G.J. CRAFTER (Minister of Housing, Urban Development and Local Government Relations): I acknowledge the support of the Opposition for this Bill. It is a minor Bill and has been debated thoroughly in another place. I do not wish to prolong that debate.

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

EVIDENCE (VULNERABLE WITNESSES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 24 March. Page 2664.)

Mr BRINDAL (Hayward): This Bill comes from another place, and the Opposition has had ample opportunity to examine it and to test matters relating to it in that Chamber. As the Bill comes to us here today, the Opposition is satisfied with it and intends to support it. I note that in the Upper House the thrust of the Bill received a measure of such support by the Opposition that we sought to move no amendments to it. I think that you will acknowledge, Sir, that that is a comparatively rare circumstance.

I intend to address some of the issues raised in the Bill, and will do so briefly. The Bill does make it clear that, where the evidence of a child has been given on oath or assimilated in evidence given on oath, there is no rule of law or practice advising a judge in a criminal trial to warn the jury that it is unsafe to convict on the uncorroborated evidence of a child. Presently, the principal Act provides that in proceedings relating to sexual offences the judge is not required by any rule of law or practice to warn the jury that it is unsafe to convict the accused on the uncorroborated evidence of the alleged victim. According to the second reading explanation of the Attorney-General, the Supreme Court did indicate in 1988 that this does not relate to the uncorroborated evidence of a child. In another place my colleague the shadow Attorney-General, the Hon. K. T. Griffin, said:

One always has to be cautious about the way in which evidence is regarded, but equally I think it can be said that the community and those who practise in the criminal jurisdiction do now take the view that blanket rules about corroboration are not necessarily appropriate and that each case ought to be dealt with on its merits. So it would seem appropriate that in relation to the evidence of the child each case is taken on its merits and that there not be a mandatory rule of practice or that warnings be given about a lack of corroboration.. .On the other hand, whilst it is certainly promoted that children do not lie, I must confess not to agree 100 per cent with that proposition because I think children and particularly older children do have the capacity to lie about their experience.

I think the more appropriate aspect is that, in the course of a child who is a witness in a criminal trial being questioned and statements being taken, there is the potential for the evidence of the child to be moulded on each occasion that the child might be examined for the purpose of taking a statement. One has to be very cautious about the process and it is one of the reasons why, in the course of debate on the vulnerable witnesses legislation that we dealt with last night, I suggested there ought to be a diligent approach to the audiotaping and more appropriately videotaping of the statements of children, so that what actually occurs, what is said and the circumstances in which questions are asked and in which the responses are given, can be readily available to the court on each occasion that the child has been questioned.

That, I believe, encapsulates the principal question which the Opposition raised in another place. I reiterate that the Opposition is satisfied with the Bill as it comes to this Chamber and we intend to support it.

The Hon. G.J. CRAFTER (Minister of Housing, Urban Development and Local Government Relations): I thank the Opposition for its indication of support for this series of amendments to the Evidence Act providing for a range of updating of provisions within the legislation, particularly relating to the giving of evidence by children in the courts, but also a number of other matters which will make this legislation more effective and improve the criminal justice system in this State. I will not go over the details; they have been canvassed by the member for Hayward but were canvassed in more detail in another place where this Bill was thoroughly scrutinised. I commend this Bill to members.

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

MUTUAL RECOGNITION (SOUTH AUSTRALIA) BILL

Returned from the Legislative Council with amendments.

STATUTES AMENDMENT (ATTORNEY-GENERAL'S PORTFOLIO) BILL

Received from the Legislative Council and read a first time.

ADJOURNMENT

At 5.4 p.m. the House adjourned until Wednesday 28 April at 2 p.m.