LEGISLATIVE COUNCIL

Tuesday 15 June 1982

The PRESIDENT (Hon. A. M. Whyte) took the Chair at 2.15 p.m. and read prayers.

PAPERS TABLED

By the Attorney-General (Hon. K. T. Griffin)—
Pursuant to Statute—
Motor Vehicles Act, 1959-1981—Regulations—Coober Pedy Registrations.
Stamp Duties Act, 1923-1982—Regulations—Threshold Rate for Credit Unions (Amendment).
By the Minister of Local Government (Hon. C. M. Hill)—
Pursuant to Statute—
Education Act, 1972-1981—Regulations—Accounting Provisions for Schools.
Engineering and Water Supply Department—Report, 1980-81.
By the Minister of Consumer Affairs (Hon. J. C. Burdett)—
Pursuant to Statute—
Trade Standards Act, 1979—Regulations—Snorkel Tube. Swimming Equipment.

QUESTIONS

LIVE SHEEP TRADE

The Hon. B. A. CHATTERTON: My question is directed to the Minister of Community Welfare, representing the Minister of Agriculture. When the Minister of Agriculture returned from an overseas trip to Saudi Arabia, he said that the South Australian Government would be involved in projects in that country relating to the fattening of sheep. Will the Minister report on the progress of negotiations with the Saudi Arabian Government as to whether that project has commenced? If it has not yet commenced, when does the Minister expect it to begin?

The Hon. J. C. BURDETT: I will refer the question to my colleague and bring down a reply.

AMOCO

The Hon. C. J. SUMNER: I seek leave to make a brief explanation before asking the Minister of Consumer Affairs a question about Amoco.

Leave granted.

The Hon. C. J. SUMNER: In September 1980, just before the Federal election of that year, as a result of representations and under pressure from the Australian Automobile Chamber of Commerce, the Federal Government introduced legislation, which was passed by Federal Parliament, to regulate the number of sites that oil companies could operate directly by themselves, that is, in general by employees of an oil company or through commissioned agents. Nevertheless, the proposition was that there should be a limit on the number of directly operated service station outlets. The proposal has been described as a system of partial divorcement. The oil companies had to divest themselves of a certain number of directly controlled sites within a certain time. These sites had to be transferred from a commission agent or direct employee to a lessee arrangement.

I have been informed that the Amoco company in South Australia (and this may be true elsewhere in Australia) is seeking to get around the provisions of this legislation. I have been told, also, that Amoco is using another company called U-Save, which is wholly owned by it, not to divest itself of the required number of directly operated sites but to create other companies that will sell the petrol as direct employees or commissioned agents of U-Save. I am informed that, by this means, Amoco is avoiding the Federal legislation that was passed in 1980 and is subverting the intention of that legislation, which was for partial divorcement. That is the information which I received and on which I require some response from the Minister.

First, is the Minister aware of Amoco's policy in relation to this matter? Secondly, does he agree that Amoco is avoiding the provisions of the Federal sites Act and, if so, has he made any representations to the Federal Government on the matter?

The Hon. J. C. BURDETT: The Leader has referred to what is known as the policy of divorcement. He said that it was passed in the Federal Parliament with a modified form of partial divorcement (it amounts to 50 per cent divorcement) as a result of pressure from the Automobile Chamber of Commerce. I think that it is fair to say that the pressures came from other places as well, including the South Australian Government, which made quite clear very early in the piece that it supported the full Fife package, which involved 100 per cent divorcement. The South Australian Government still says that, and is disappointed that the Federal Government saw fit to proceed to 50 per cent divorcement only. The South Australian Government made clear, for constitutional reasons and also because of the national nature of the industry, that divorcement and the Fife package ought to be legislated for on a Federal basis.

I will certainly investigate the question that the Leader has raised to see what is the device that it is alleged is being used, and I will bring him back a reply as a result of that investigation. However, I make quite clear (as the Leader clearly acknowledged) that this is a Federal matter and that the most I could do would be to bring it to the notice of the Federal Government. I am quite prepared to investigate what the device is and how it appears to stand up, and to report back to the Council as a result of my investigations.

MEDICAL ETHICS

The Hon. J. R. CORNWALL: Has the Minister of Community Welfare, representing the Minister of Health, a reply to the question that I asked on 3 June regarding medical ethics?

The Hon. J. C. BURDETT: I have been advised by the Minister of Health that the incident referred to by the honourable member, in which a patient at Modbury Hospital had been requested by his surgeon to change classification from hospital to private patient, has been promptly and fully investigated by the board of the Modbury Hospital.

The Minister of Health has informed me that, as soon as hospital authorities had become aware of the incident, immediate steps were taken to ensure that the doctor concerned had apologised to the finance officer for his attitude in relation to the incident. The hospital had contacted the patient and expressed its regret at the occurrence, and the hospital had issued new instructions to all staff in regard to proper procedures for the classification of patients. This was done on 22 April 1982. The instruction provided for the free election by patients of their classification and reflected the principle that an election for a private patient resulted from a mutually agreed contract between the patient and the doctor.

However, if the patient named by the honourable member wishes to pursue the matter, it is his right to refer it to the Medical Board. Clearly, it is unacceptable for any patient to be coerced into making decisions about his or her status. At the same time, hospital staff have an obligation to establish the correct status of all patients so that no misunderstandings can occur subsequently regarding billing.

The Hon. J. R. CORNWALL: I desire to ask a supplementary question. Will the Minister of Health instruct all

hospital boards that they should withdraw clinical privileges or operating rights forthwith from any medical practitioner (specialist or otherwise) who has been found blatantly guilty, as this gentleman was, of trying to coerce a patient?

The Hon. J. C. BURDETT: I am not sure that the doctor in question was found by any kind of tribunal to have been in blatant and gross breach of his obligations. In any event, I will refer the question to my colleague and bring down a reply.

EQUAL OPPORTUNITIES

The Hon. ANNE LEVY: I seek leave to make a brief statement before asking the Attorney-General, representing the Premier, a question about equal opportunities.

Leave granted.

The Hon. ANNE LEVY: In October last year I asked the Attorney a question relating to equal opportunities management plans which have been legislated for in New South Wales and which I understand are currently in operation. I asked him whether similar management plans for departments and statutory authorities were being contemplated for South Australia. I received a reply from him in February this year, in which he stated:

> The Public Service Board's Equal Opportunities Unit has subsequently examined existing structures and procedures within the Public Service to provide a basis for the implementation of Equal Opportunities Management Plans utilising resources currently available. A decision on this matter will be made within the next few weeks.

From the tone of the reply, I would take it that the Public Service Board's Equal Opportunities Unit had felt the necessity for equal opportunities management plans for departments and statutory authorities and that the unit was looking at it with a view to seeing how best to implement it within current resources. What has happened to this matter since February, as in February a decision was expected within a few weeks? I presume that such decisions have been taken by now, and I hope that the Attorney can tell the Council that equal opportunities management plans are shortly to be introduced.

The Hon. K. T. GRIFFIN: Obviously, I will need to refer that question to the Premier for advice from the Public Service Board. I will ensure that that is done and bring down a reply in due course.

HONOURS LIST

The Hon. M. S. FELEPPA: I seek leave to make a brief explanation before asking the Attorney-General, representing the Premier, a question about the honours list published in the *Advertiser* on 12 June 1982.

Leave granted.

The Hon. M. S. FELEPPA: What I am going to point out to this Chamber could be seen as a little sensitive, Mr President, but I was asked over the weekend to do so by several people, and I think it is my duty to draw the attention of the Council to what seems to be a matter of concern to members of our community. This year's Queen's Birthday honours list has certainly provoked much hurt amongst many citizens of this State who work with migrants in general with a degree of dedication. These people, who work in a selfless manner and spend time, energy and sometimes their own money to help migrants of various backgrounds, find the situation insulting.

They must have noticed that the highest honour given for work done in the ethnic area is considered to be the same as that given for work done with pigs. I would like to bring to members' attention the case of two people who have both received an M.B.E. The article in the *Advertiser* states:

> James Francis McAuliffe, of Saddleworth, for service to primary industry. He is a former State president of the pig section of the United Farmers and Stockowners of South Australia and is now a member of the Northfield Pig Research Unit Liaison Committee
> ...
> Walter Johannas Augustinus de Veer, of Grange, for service to the ethnic community. Mr De Veer has been involved in the ethnic community since his arrival in Australia from Holland in 1950. He has worked with the Netherlands Society, Dutch credit unions and Dutch language magazines. Since 1973 he has been involved in ethnic radio broadcasting.

On behalf of the ethnic groups of this State I wish to express my personal protest against what appears to be an offence and an insulting classification which perhaps unintentionally sees pigs and ethnics as equal. Does the Minister share the view taken by these people? If not, is he willing to make any comments in order to explain the unfortunate circumsances of the interpretation of those people?

The Hon. K. T. GRIFFIN: The answer to the first question is 'No'. The answer to the second question is perhaps somewhat more complex because the question of honours for community service is not just a matter for recommendation to Her Majesty but also is a matter for consideration by a council established to deal with the Australian honours system. Anyone who wishes to nominate any member of the community for recognition in either the Imperial honours list or the Australian honours list has an avenue open to them to make that nomination. It is very difficult to run through the list and compare the contributions of individuals with each other because, quite obviously, the recognition for their contributions is based on a variety of considerations. It would be quite unfair to make any comparison.

In the list which I read in the newspaper on the weekend representatives of the ethnic community had been given recognition for their contribution, not only to the ethnic community but also to the community of South Australia. I would certainly hope that that will continue. I see no reason for it not to continue but the responsibility for nominations rests with members of Parliament and members of the community. Avenues are available to them to ensure that the contribution of anyone who makes a significant contribution is drawn to the attention of those who have the responsibility for making recommendations to Her Majesty.

ROYAL COMMISSIONS

The Hon. C. J. SUMNER: I seek leave to make a brief explanation prior to asking the Attorney-General a question about privilege before royal commissions.

Leave granted.

The Hon. C. J. SUMNER: On 3 June 1981, while the royal commission into the prisons system was still in progress, I drew to the attention of the Attorney-General a problem which Mr L. M. Lewis, who was a Chief Prisons Officer at Yatala, had had in placing a submission before that royal commission. Mr Lewis had provided a written submission which was tendered to counsel assisting the Royal Commissioner and which, I understand, in accordance with the procedures of the commission, was subsequently sent to other parties represented before it.

As a result of what was in the submission from Mr Lewis, he was sued for libel. Everyone in this Parliament and probably everyone in South Australia would think that proceedings before a royal commission would be privileged from such an action for libel and that this would cover any submissions that the Royal Commissioner requested. At that time I asked the Attorney-General whether he would investigate the matter. I suggested that legislation might be necessary to correct the situation that had arisen to the great detriment of Mr Lewis, who had acted in good faith in bringing this material before the royal commission. Nothing

was done in terms of legislation, and the royal commission duly concluded its work, but the proceedings in the Supreme Court for damages for libel went ahead.

The Attorney-General intervened on behalf of the State and argued that the proceedings of the royal commission, including the submission which Mr Lewis had made, were privileged from an action for defamation. However, Justice Mitchell in the Supreme Court held that the privilege which attaches to such proceedings (that is proceedings before a royal commission as opposed to proceedings before a court), only attracted qualified privilege and did not attract the absolute privilege which applies, for instance, to deliberations in Parliament and deliberations before the courts.

That was a surprising result in terms of what was generally considered to be the law in this State. When royal commissions have been set up in the past, people have talked about there being absolute privilege applying to the royal commission's proceedings. First, the problem has arisen, now that Justice Mitchell has found on this preliminary point, of whether or not there will be an appeal against that decision to the Full Supreme Court or possibly the High Court. Secondly, the question arises as to the position in which this places Mr Lewis. Earlier when I raised this issue, which received some press coverage in June last year, the Attorney-General said that he would look at the question of indemnifying Mr Lewis for his costs. Following the decision by Justice Mitchell, on 10 May this year I wrote to the Attorney-General and said:

> I refer to previous correspondence and questions asked in the Legislative Council in relation to this matter. A decision has now been handed down by Her Honour Justice Mitchell to the effect that a royal commission in South Australia does not attract absolute privilege from libel proceedings.
>
> As this is a matter of considerable public importance I would like to renew Mr Lewis's request to you that the Government should indemnify Mr Lewis for his costs and other expenses in relation to these proceedings.
>
> Mr Lewis put a submission before the royal commission in good faith and on the understanding that absolute privilege applied. I feel sure that you will agree that the generally held view was that the proceedings and submissions to a royal commission were absolutely privileged.
>
> From a personal point of view Mr Lewis is extremely worried about the costs which are being incurred in this matter and is under medical treatment.

Mr Lewis was forced to retire from the department as a result of the problems that this matter has caused. The letter concludes:

> Accordingly, on the basis that this matter is one of considerable public interest and also because of the personal worry and concern which it is causing Mr Lewis, I would ask that a decision to indemnify Mr Lewis be made as a matter of urgency.

The Attorney-General replied on 1 June 1982 in a way that can only be described as extremely obscure. His letter states:

> The Government agreed in March to indemnify both parties in the action *Douglass v. Lewis* as to the costs of determining the preliminary point on the question of privilege upon the difference between the Supreme Court and Local Court scales of costs. As I initially indicated, the question as to whether the Government will bear costs generally should await the final resolution of the litigation.

Of course, that is quite unacceptable. I believe that issues of extreme public importance are involved in these proceedings. There is an individual in our community, Mr Lewis, who in effect was invited to place a submission before a royal commission, who did so in good faith and who now finds himself subject to these protracted legal proceedings which could lead to an award for damages being made against him. Apart from some vague notion of indemnifying Mr Lewis on costs of the preliminary point, the Attorney-General, in terms which were vague and which do not come to grips with the issue, has not done anything to relieve the worry and concern of this gentleman.

I believe it is time that the Attorney-General came out and stated the Government's position on this matter. This issue is of extreme public importance, because this decision could apply not only to royal commissions but also to other commissions. In other words, proceedings before the Industrial Commission may not attract absolute privilege but may be subject only to qualified privilege. That is obviously a matter of extreme importance which needs to be resolved as soon as possible. There are two issues: first, Mr Lewis's personal position, which needs to be resolved in the cause of some human commitment to this person and, secondly, because of the extreme public importance of this issue the Attorney-General should state the Government's intention in relation to it.

First, will there be an appeal against the decision of Justice Mitchell? Secondly, will the Attorney-General give an unequivocal undertaking at this stage that the legal costs involved in these proceedings will be met by the State? Thirdly, will the Government undertake to pass appropriate legislation to cover matters such as this?

The Hon. K. T. GRIFFIN: The answer to the Leader's third question is that the Government has decided that it will bring legislation before Parliament to provide that evidence given before a royal commission will be absolutely privileged. That is the position in the Commonwealth, New South Wales and Victoria. The Government believes it is appropriate that there be an amendment to extend absolute privilege to include proceedings before royal commissions in this State. In relation to the question of an appeal, from the Crown's viewpoint there will not be an appeal. Whether or not other parties appeal is a matter for them. In relation to Mr Lewis, I will not give an unequivocal undertaking that all of his costs will now be met. There are matters of a factual nature which were the essential reasons why the answer given in the letter to the Leader of the Opposition was not as unequivocal as he might have wished.

The Hon. C. J. Sumner: What are the factual matters at issue?

The Hon. K. T. GRIFFIN: I do not intend to explore the factual matters in this arena but I am perfectly happy to discuss them with the Leader of the Opposition at an appropriate time on a personal basis. If he wants all the information raised publicly in this forum, I am happy to do that. However, I do not think that will assist anyone. I am certainly prepared to discuss those aspects with the Leader at an appropriate time in a private manner.

The Hon. C. J. SUMNER: I desire to ask a supplementary question. What indemnity is the Attorney-General prepared to give Mr Lewis in these most unfortunate circumstances? I emphasise that the situation that has arisen is not Mr Lewis's fault. If the Attorney-General is prepared to indemnify him, in what circumstances and to what extent will that indemnity apply?

The Hon. K. T. GRIFFIN: I have already indicated that there are matters of a factual nature which are in issue and which will have some impact on whether or not a full indemnity is given. The Government has already given an indemnity for the initial proceedings on the preliminary point. I have informed the Leader by letter that when the matter has been completed the Government will consider the question of an indemnity for the costs of the principal proceedings. The difficulty in relation to an indemnity relates to the question of facts and evidence which have not yet been clarified in any proceedings. If they can be clarified it may be possible to make a decision on the question of indemnity at an earlier stage. It might be helpful if I were to outline some of the difficulties to the Leader by letter so that he might be able to get information which has so far not been made clear in any of the proceedings before the courts.

HALLEY'S COMET

The Hon. ANNE LEVY: I seek leave to make a brief statement before asking the Attorney-General, representing the Premier, a question about Halley's Comet.

Leave granted.

The Hon. J. C. Burdett: He can't do anything about that.

The Hon. ANNE LEVY: In response to the interjection, I acknowledge that the Attorney-General can do nothing to influence the passage of Halley's Comet. I understand that Halley's Comet is due to pass through our skies some time in 1986. The last time it appeared was in 1910, so there would only be a small number of octogenarians who would be able to recall having seen it before. I believe this is of great interest to a number of people, Halley's Comet being famed in literature and history. I understand it was taken as foretelling the approach of William the Conquerer in 1066 and has supposedly had an influence on important historic events. It has had such an influence not only in Europe, because it is equally renowned in Chinese folk lore, mythology and history.

Our sesqui-centenary occurs in 1986. Therefore, it seems appropriate that the passage of Halley's Comet should in some way be related to our sesqui-centenary. I suppose it could be said that our sesqui-centenary is the highly important historic event that Halley's Comet is associated with in its passage through our skies. Has the sesqui-centenary committee considered integrating the passage of Halley's Comet into the sesqui-centenary celebrations? If not, will it consider doing so?

The Hon. K. T. GRIFFIN: I will certainly refer that question to the Premier, who is responsible for the Jubilee 150 board, which has received hundreds of suggestions for the way that the sesqui-centenary of this State should be recognised in 1986. I am not aware of any reference being made to Halley's Comet, but I will refer the matter to the Premier and bring down a reply.

INTERPRETERS

The Hon. M. S. FELEPPA: Has the Minister Assisting the Premier in Ethnic Affairs a reply to the question that I asked on 8 June regarding interpreters?

The Hon. C. M. HILL: My colleague reports:

Within the South Australian Ethnic Affairs Commission there are four officers employed to serve the needs of the Yugoslav communities and three other officers for the South-East Asian communities. The four officers who assist the Yugoslav and South-East Asian communities are situated as follows:

Information area:

Whyalla, one officer (Serbo-Croatian); Upper Murray, one officer (Serbo-Croatian); Adelaide, one officer (Serbo-Croatian) and one officer (Vietnamese) (25 Peel Street).

Hospitals:

Adelaide, one officer (Serbo-Croatian); two officers (South-East Asian languages, including Vietnamese).

Court area:

14 contract interpreters (Serbo-Croatian); 9 contract interpreters (Vietnamese).

Both the health and court areas can call upon nine contract interpreters for the Vietnamese language and 14 contract interpreters for the Serbo-Croatian. The commission employees contract interpreters whenever the need arises in the health and court areas.

Attached please find a list of interpreters/translators and information staff employed in the South Australian Ethnic Affairs Commission.

Then follows a lot of statistical information within a schedule detailing court interpreter/translators, health interpreter/translators, and the ethnic affairs information staff, which schedule I seek leave to have inserted in *Hansard* without my reading it.

Leave granted.

S.A. ETHNIC AFFAIRS COMMISSION—COURT INTERPRETERS/TRANSLATORS

Name	Position	Class.	Full-Time/ Part-Time	NAATI Level	Languages	Other Languages without Qualifications	Other Details
Paraschos, J. ...	Int/Trans.	TL3	F/T	I/T Level III (accr)	Greek		
Spacca, M. C. ..	Int/Trans.	TL3	F/T	I/T Level III (accr) T Level II (accr)	Italian French	Spanish	
Timpano, L. ...	Sn. Int/Trans.	TL4	F/T	I/T Level III (accr)	Italian		

HEALTH INTERPRETERS/TRANSLATORS

Dounis, K.....	Int/Trans.	TL1	F/T	I/T Level II (recog.)	Greek		
De Nitto, N. ...	Int/Trans.	TL3	F/T	I/T Level III (accr.)	Italian	French	
Ratkevicius, V.	Int/Trans.		P/T	I/T Level II (recog.)	Polish	Lithuanian	Half-time
Kaleniuk, G. ...	Int/Trans.	TL1	F/T	I Level II (accr.)	Serbian-Croatian	Ukrainian	
Pozenel, M.	Act. Int/Trans.	TL3	F/T	I/T Level III (accr.)	Italian		
Stenos, A.	Int/Trans.	TL3	F/T	—		Greek, French	
Le Suan	Int/Trans.	TL1	F/T	T Level II (accr.)	Vietnamese	Chinese	
Tang Thi Hoa ..	Int/Trans.	TL1	P/T	T Level II (accr.)	Vietnamese		Half-time

ETHNIC INFORMATION STAFF

Name	Position	Class.	Full-Time/ Part-Time	NAATI Level	Languages	Other Languages without Qualifications	Other Details
Bayer, J.....	Info. Off.	TL1	F/T	Applied for Recog. awaiting exam. Level III		Hungarian, German	Hungarian Diploma in Teaching. Associate Diploma in Social Work
Brewster, T.....	Info. Off.	TL1	P/T	—		Serbian, Croatian and Polish	Half-time

ETHNIC INFORMATION STAFF—*continued*

Name	Position	Class.	Full-Time/ Part-Time	NAATI Level	Languages	Other Languages without Qualifications	Other Details
Corelli, F.	Info. Off.	TL1	F/T	I/T Level III (accr.)	Italian		
Cunial, A.	Info. Off.	TL1	F/T	—		Italian	B.A. Major in Italian
Vacant	Info. Off.	TL1	P/T	Level II	Serbian-Croatian		Half-time
Nikou, G.	Info. Off.	TL1	F/T	—		Serbian, Croatian and Greek	
Papaioannou, H.	Info. Off.	TL1	P/T	I Level II (accr.)	Greek		Half-time
Prinos, A.	Sr. Info. Off.	TL3	F/T	I Level II (accr.)	Greek		
Rudzinski, I. ...	Info. Off.	TL1	F/T	—		Polish, Roumanian, Italian, German	
Sam, T. L.	Info. Off.	TL1	F/T	T Level II (accr.)	Vietnamese	Chinese	
Vozarikova, K.	Info. Off.	TL1	P/T	—		Czech, Slov., Russ.	Czech Diploma of Teaching (degree in Eng. and Russian)
Zalewski, L.	Info. Off.	TL1	F/T	—		Polish	Half-time

MIGRANT/POLICE WORKING PARTY

The Hon. M. S. FELEPPA: Has the Minister Assisting the Premier in Ethnic Affairs a reply to the question that I asked on 8 June regarding the migrant/police working party?

The Hon. C. M. HILL: The migrant/police working party has just completed its deliberations, and its Chairman, Mr N. Manos, S.S.M., is expected to present the report of the working party to the honourable the Premier on 18 June.

HEARING LOSS

The Hon. FRANK BLEVINS: I seek leave to make a statement before asking the Minister of Community Welfare, representing the Minister of Industrial Affairs, a question regarding hearing loss.

Leave granted.

The Hon. FRANK BLEVINS: All honourable members will recall the debate that took place in this Council a few weeks ago regarding workers compensation and the quite appalling attitude of this Government towards workers who had suffered hearing loss during the course of their employment. In order briefly to refresh honourable members' memories, I state that the recent legislation made it much more difficult for workers who had been injured in this way to claim compensation, and the amount of that compensation was, in effect, reduced. During that debate, I also expressed disquiet, apart from the monetary loss and the loss of hearing, that business enterprises would no longer take the necessary steps to minimise the amount of hearing loss that occurred in industry. In other words, they would no longer take the necessary precautions to see that hearing loss did not occur, since it would now no longer be as financially necessary for employers to do so because they could now injure workers in this way without suffering unduly through heavy insurance premiums. A press report headed 'Widespread hearing loss in factory workers, survey says', in the 17 May issue of the *Australian,* caught my eye. That report states:

A breakdown in enforcement of regulations controlling factory noise has caused serious hearing loss for more than 2 000 workers employed in Melbourne, the first large-scale study on noise effects in the work place has found.

The survey, by an independent Melbourne medical research unit, the Shepherd Foundation, says that in many cases the State's noise control laws are being 'flagrantly broken' and more than a third of the workers tested are suffering hearing damage.

The Medical Director of the Foundation, Dr Leif Larsen, told the *Australian* yesterday the laws covering noise in factories were not being enforced by the State Government.

Foundation tests, carried out over the past 18 months at the request of employers, revealed a pattern of 'disturbingly high levels' of notifiable hearing loss among more than 6 400 workers at 56 industrial workshops in the Melbourne area.

The survey claimed 38 per cent of workers tested were suffering from such levels of hearing loss. In nine factories more than half the employees were affected and in one factory two-thirds of employees were found to have hearing loss.

At every factory visited, the survey team found some measure of hearing loss among workers.

The report goes on at greater length but certainly in the same very disturbing vein. Granted, this was in Melbourne, but I wonder what the position is in South Australia. I ask the Minister the following questions: have any surveys taken place in South Australia to ascertain the level of hearing loss amongst the South Australian work force and, if not, why not? What policing procedures take place in South Australian factories in relation to the noise control laws? How many breaches of noise control legislation in factories have been reported? How many prosecutions have taken place, and what has been the result of those prosecutions?

The Hon. J. C. BURDETT: Honourable members will recall that, when the Bill was debated earlier, the main question in regard to hearing loss related to hearing loss at the lower or bottom end of the scale. The problem was that of accurately recording and assessing hearing loss at the lower end of the scale and, more particularly, where it was assessed and did occur, of ascertaining whether it was work induced. I will refer the honourable member's question to the Minister of Industrial Affairs and bring back a reply.

CO-OPERATIVES LAW

The Hon. B. A. CHATTERTON: I seek leave to make a statement before asking the Attorney-General a question regarding the law relating to co-operatives.

Leave granted.

The Hon. B. A. CHATTERTON: Because of the inadequacy of the present legislation, which is very old and which has not really been brought up to date, the former Labor Government instituted on inquiry into co-operatives in South Australia. A number of issues at that time were causing considerable problems in the co-operatives area. I think perhaps the two major ones were, first, the collapse of the travel co-operatives and the implications that that had in relation to who should be members of the co-operatives, and the community of interest amongst co-operative members. The second major issue involved complaints amongst members of some of the major co-operatives in the Riverland that their views were not being heard at meetings. Of course, many other issues were involved in that inquiry.

Since then, we have also had the situation of some of the largest co-operatives in South Australia being taken over, and it has become obvious that that is another area of grave discrepancy in the current legislation. Whereas company take-overs are well controlled and supervised by the Corporate Affairs Commission, there is very little supervision and law relating to the take-over of co-operatives. Shareholders have been somewhat concerned that the information provided to them is inadequate, to say the least. I understand that the Government has now had the report from this inquiry for just over two years. The Attorney said in reply to an earlier question that I asked on this matter that the legislation would be drafted and comments sought from the co-operatives in this State. Has that legislation been drafted and how soon will it be available for people in the community to comment on?

The Hon. K. T. GRIFFIN: A draft has been prepared. I had hoped that it would be available before now. One of the difficulties has been the sheer mass of paper, both in the form of legislation, subordinate legislation, and other material relating to the national companies and securities scheme, so that it has not been possible to undertake the consultation necessary before it is introduced in Parliament. With the final stage of the national companies and securities scheme coming into operation on 1 July, I would expect that officers will then be free to pursue co-operatives legislation. I have a high expectation that it will be ready, after consultation, for introduction next session.

HOMELESS PEOPLE

The Hon. C. J. SUMNER: I seek leave to make a brief explanation before asking the Minister of Housing a question about South Australia's homeless people.

Leave granted.

The Hon. C. J. SUMNER: Last night the current affairs programme *Nationwide* included a segment on the problems which many South Australians are having in finding adequate accommodation. Some cases particularly were referred to in that programme of people in quite severe situations. The Hon. Mr Hill, when he was interviewed, at least undertook to investigate the situations of those people, but the programme indicated that when it had gone to air there had been no call or approach from the Minister to say whether these matters could be resolved. What does the Government intend to do about the plight of those people mentioned in the current affairs programme last night, as well as other people?

The Hon. C. M. HILL: This matter has been raised with me this morning. I did not see the segment on television.

The Hon. J. R. Cornwall: You were lucky, because you would have been terribly uncomfortable.

The Hon. C. M. HILL: I do not think that that would have been the case at all. I was interviewed late last Thursday afternoon, and I was told of two instances by the television interviewer. Those instances were of people who the television interviewer claimed were in serious need of housing. As part of my reply to many questions that were asked, I stated that, if I knew of these particular circumstances, I would be only too pleased to do something about the matter. As I had no official record of these people's names or addresses, my office had to trace back to the television station to find out the details. I understand that this was done by the South Australian Housing Trust this morning. I was not here over the weekend to do much about it, because I was in the country between Friday and Monday. The trust advised me at mid-day that it was following up the matter and hoped to have a report to me this afternoon. I hope that the people concerned have been found by trust officers, and that their needs can be satisfied.

LIBERAL LEADER

The Hon. FRANK BLEVINS: Is the Attorney-General, as Leader of the Government in this Council, willing to scotch the quite strong rumours around Parliament House that the Premier is close to being opposed?

Members interjecting:

The PRESIDENT: Order!

The Hon. FRANK BLEVINS: It is a reasonable question.

The Hon. C. M. Hill: You have the weekend jitters.

The Hon. FRANK BLEVINS: Not me, mate! Can the Attorney give the people of this State an assurance that Mr Tonkin will be the Leader of the Liberal Party and take it to the next State election?

The Hon. K. T. GRIFFIN: I am surprised that I have not heard that rumour. Perhaps it has only existed on the other side of the corridor. Certainly, there is no substance at all in that rumour. I have just not heard that rumour at all.

The Hon. B. A. Chatterton: You've heard it now.

The Hon. K. T. GRIFFIN: I have, but there is no substance at all to it. The Premier will lead us to the next election, whenever that may be.

SPARC

The Hon. ANNE LEVY: I seek leave to make a brief statement before asking the Minister of Arts a question about the Schools Performing Arts Review Committee.

Leave granted.

The Hon. ANNE LEVY: Some time last year the Minister set up the Schools Performing Arts Review Committee based at Carclew Arts Centre, with a membership representing various interests such as the arts, the Education Department, the Arts Council, Carclew centre, school principals and community representatives. It was established to give guidance to school principals about the suitability of productions to be presented in school time. I understand that it commenced its work with great enthusiasm and has been much appreciated by various education bodies in this State. Can the Minister say how many requests have been made to this committee about proposed productions for South Australia? What was the outcome of the 'classification' assigned by SPARC to all the publications or scripts submitted to it? Can the Minister say whether, to his knowledge, there has been any confusion between SPARC (Schools Performing Arts Review Committee) and SPARC (Single, Pregnant, and After Resource Centre)?

The Hon. C. M. HILL: As the honourable member has said, the committee has been established and is based at Carclew Performing Arts Centre. Its purpose was to look at the scripts of performing companies that sought the right to perform in our public schools. Since that committee was established for that purpose, I know that scripts have been submitted to it. To the best of my knowledge, it is an arrangement that is generally working well; I have heard no complaints. I will endeavour to obtain the statistics that the honourable member sought when she asked me about the number of scripts that have been submitted to the committee, and perhaps some other information relative to the processing of these scripts can be obtained for the honourable member to clarify any concern or doubt that she may have about that committee and its operations. In regard to the second question, the honourable member caught me somewhat unawares. I will look at the question when it appears in *Hansard* and see whether I should reply to it.

PUBLIC HOSPITAL SERVICES

The Hon. J. R. CORNWALL: I seek leave to make a brief explanation before asking the Minister of Community Welfare, representing the Minister of Health, a question on public hospital services.

Leave granted.

The Hon. J. R. CORNWALL: I am sure that all members and almost all of the public of South Australia will remember that, between July and October last year, a debate was raging on the new health insurance arrangements being introduced by the Federal Government. The South Australian Minister of Health was an ardent advocate and supporter of the arrangement. The question arose as to what was to happen to low-income earners who exceeded the means test by a matter of $1, $2, or $3 and who would not be eligible for health cards. The Minister's response was that they could take out hospital-only insurance and attend the outpatients service at public hospitals. There are a couple of problems with that system. It does not apply outside the metropolitan area, because the doctors would not co-operate, and it now seems that it does not apply to any extent in the metropolitan area. I have received dozens, possibly hundreds, of letters from people who took out hospital-only insurance based on the Minister's advice that that would cover them for medical as well as hospital services at any public hospital. They are now being turned away and are told that they must go to their local G.P. in private practice.

I used to take up these matters individually but, as I received so many, in March this year I wrote to the Minister in regard to the matter generally. She replied:

> Hospital-only insurance covers all charges levied in relation to public hospital services... However, as I have stated on numerous occasions, in many cases this is an inappropriate way to provide these services as a more complete and better service is available from general practitioners... Where a patient's condition requires continuing medical care and supervision, but not specialist care, such care is not normally provided by hospitals and patients will be referred to a general practitioner for long-term management.

In other words, they are literally being turned away from outpatient departments of all public hospitals, particularly the teaching hospitals in Adelaide. So, what the Minister said in the great debate in July, August, September and October last year is not what appears to have happened. In fact, the position is quite the reverse. Will the Minister make a full public statement telling people that these services are not available in South Australia's public hospitals for patients insured for hospital-only benefits, and that they are in fact being turned away and sent to general practitioners in private practice for whom they have no insurance cover, and will she recant and apologise in relation to her earlier statement?

The Hon. J. C. BURDETT: I shall refer the honourable member's question to the Minister of Health and bring back a reply.

CONSUMER REPORT

The Hon. C. J. SUMNER (on notice) asked the Minister of Community Welfare:

1. What proposals (including those in Appendices 4 and 5) of the report of Judge J. M. White entitled 'Fair Dealing with Consumers' have been implemented?
2. Will the Minister specify in relation to each proposal:
   (a) What consideration has been given to it?
   (b) What legislation has been passed?
   (c) What administrative action has been taken?
   (d) What is Government policy?

The Hon. J. C. BURDETT: The replies are as follows:

1. The following proposals of the report have been partially or wholly implemented.

Part 2

2.2 (i), (ii); 2.8 (iii); 2.10, 4 (viii); 2.10.5 (ix); 2.11 (v); 2.14 (ii) and 2.17.

Appendix 4

The regulation of lay-by sales has been examined and rejected.

Appendix 5 Consumer Credit Act

Amendments have been made in relation to the definition of 'principal' and sections 37, 40, 54 and 58 of the Act and the monetary limits of application of the Act have been increased.

Consumer Transactions Act

Amendments have been made in relation to sections 20 and 29 and the monetary limits of application of the Act have been increased.

2.

(a) When new legislation has been proposed in a particular area, any of the report's proposals relevant to that area have been considered and taken into account.

(b) The implementation by legislation of the proposals referred to in 1. above has been by the enactment of the Trade Standards Act and amendments to the Consumer Credit Act and the Consumer Transactions Act.

(c) The proposals referred to in 1. above that do not require legislation have been implemented by administrative action.

(d) The Government has not formulated a specific policy in relation to each individual proposal. Government policy generally is:

(i) to examine all existing consumer protection legislation with a view to reducing or abolishing any unduly restrictive or unnecessary controls; and

(ii) to introduce consumer protection legislation in those situations where it is demonstrated that consumers are suffering actual injustice and where no other effective means of protection exists.

CONSUMER LEGISLATION ADVISORY COMMITTEE

The Hon. C. J. SUMNER (on notice) asked the Minister of Community Welfare:

1. *(a)* Is the Consumer Legislation Advisory Committee still in existence?
   (b) If so, what is its membership?
2. Will the Minister specify the reports it has produced and outline what action has been taken in relation to each?
3. Will the Government table or make public all reports prepared by the Consumer Legislation Advisory Committee since its inception?

The Hon. J. C. BURDETT: The replies are as follows:

1. *(a)* No.
   (b) Not applicable.

2. A report was produced recommending Government support for the establishment of an independent consumer association based on recommendation 2.17. The report's recommendation was accepted and the Consumers Association of South Australia was established in 1978. The association has received a grant from the Government each year.

3. No. The above report was submitted to the previous Government.

ACCIDENT SURVEILLANCE

The Hon. C. J. SUMNER (on notice) asked the Minister of Community Welfare:

1. Did the Government receive a final report from the working party on accident surveillance systems established in October 1978?

2. If so:

(a) When was the report received?

(b) Will the Government table the report?

(c) What were the recommendations of the report?

(d) What action has been taken on the report?

The Hon. J. C. BURDETT: The replies are as follows:

1. The working party on accident surveillance systems has not yet reported.

2. Not applicable.

COMMERCIAL BANK OF AUSTRALIA LIMITED (MERGER) BILL

The Hon. K. T. GRIFFIN (Attorney-General) obtained leave and introduced a Bill for an Act to provide for the transfer in South Australia to Bank of New South Wales of the undertaking of the Commercial Bank of Australia Limited and for the transfer in South Australia to Bank of New South Wales Savings Bank Limited of the undertaking of the Commercial Savings Bank of Australia Limited, and for other purposes. Read a first time.

The Hon. K. T. GRIFFIN: I move:

That this Bill be now read a second time.

The purpose of this Bill is to facilitate the merger of the Commercial Bank of Australia Limited ('CBA') and the Commercial Savings Bank of Australia Limited ('CBA Savings Bank') with Bank of New South Wales (for the purposes of the second reading explanation called 'Wales') and Bank of New South Wales Savings Bank Limited ('Wales Savings Bank').

As a result of take-over offers made by Wales in June 1981, Wales now controls all the issued shares in CBA, and CBA is therefore a wholly-owned subsidiary of Wales. The Commercial Savings Bank of Australia Limited is a wholly-owned subsidiary of CBA and by reason of the take-over of CBA is now controlled by Wales. Wales Savings Bank is a wholly-owned subsidiary of Wales. The banks intend that the business of CBA should be conducted by Wales and that the business of CBA Savings Bank should be conducted by Wales Savings Bank. To achieve this it is necessary that the assets and liabilities of CBA be transferred to Wales and that the assets and liabilities of CBA Savings Bank be transferred to Wales Savings Bank.

The only practical means of effecting such a transfer is by legislation. The multitude of customers' accounts (more than 1 360 000) must be transferred from CBA and CBA Savings Bank to the Wales Group in an orderly and organised fashion and with minimum inconvenience to customers. The only method of achieving this (other than by this legislation) is for each customer to individually transfer his accounts and other business to the Wales Group. The inconvenience to each customer would be considerable and the task for the banks of processing such a large number of transfers in sufficiently short a time would be almost impossible. It is for this reason that the Government has decided to introduce this legislation. It should be noted that the Bill does not compel any person to remain a customer of Wales or of Wales Savings Bank. A customer is free to transfer his business from CBA or CBA Savings Bank to another bank before this legislation has effect and at any time after it has effect he may transfer his business from Wales or Wales Savings Bank to a bank of his choice.

There are precedents both in Australia and overseas for legislative transfer of assets in these circumstances. The Bank of Adelaide precedent is very recent. That was a case in which an orderly transfer of operations from the Bank of Adelaide to the ANZ Bank occurred by Act of Parliament so as to remove altogether the need for individual customers to reorganise their personal banking arrangements. A similar approach was taken in 1970 when the English Scottish and Australian Bank merged with the then Australia and New Zealand Bank to form the present Australian and New Zealand Banking Group Limited. There are similar precedents in the United Kingdom. The present major English clearing banks, five in number, resulted largely from banking amalgamations of the 1960s and 1970s. By and large, those amalgamations were facilitated by legislation of the kind now contemplated.

One result of the passing of this legislation whereby property is transferred to the Wales Group is that the banks escape the payment of stamp duty. However, they have agreed with the Government to pay to general revenue a sum that is equivalent to the duty that would otherwise be payable. This sum will be calculated by Treasury officials working with officers from the banks. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 provides for the commencement of the Act. It provides that the Act will come into operation on a day to be proclaimed which will allow flexibility in timing and will enable co-ordination of the transfer throughout the Commonwealth. It is hoped that it will be possible to consummate the transfer on 1 October 1982 provided, of course, that legislation can be obtained in all States before that date.

Clause 3: Several of the definitions are of particular importance to the working of the legislation. 'The appointed day' is the day on which the Act comes into operation by proclamation under clause 1. 'Excluded assets' is a term used to describe assets which are excluded from the amalgamation and which will therefore remain vested in either CBA or CBA Savings Bank. Land and shares held otherwise than by way of security will remain vested in CBA and CBA Savings Bank, as will property held under certain trust arrangements and assets involved in a financing transaction which depends for its continued viability on separate ownership by the two banks. 'Undertaking' means all property and all liabilities of CBA and CBA Savings Bank, except for property which is 'excluded assets' and liabilities relating to such 'excluded assets'. It is the 'undertaking' thus defined of CBA and CBA Savings Bank that is to be vested by the legislation in either Wales or Wales Savings Bank as appropriate.

Clause 4 excludes certain instruments described in the schedule from the operation of the Act when it comes into force. Clause 5: This clause provides that the Act shall bind the Crown. Clause 6 effects the vesting of the undertaking of CBA and CBA Savings Bank in Wales and Wales Savings Bank, respectively. It is thus the central provision of the legislation, being the principal means by which the need for separate transfer of each asset and separate assumption or renewal of each liability of CBA and CBA Savings Bank is avoided. Subclause (2) contains certain provisions concerning the interpretation of instruments following upon the vesting

of the 'undertakings' of CBA and CBA Savings Bank pursuant to clause 6 (1). Essentially, it says that wherever the name of CBA or CBA Savings Bank appears, it is to be interpreted as referring to Wales or Wales Savings Bank. Furthermore, where there is in any instrument a reference to a nominated officer of CBA or CBA Savings Bank, that reference is to be interpreted as a reference to the Chief General Manager of Wales or such other officer as he nominates.

Subclause (3) deals with branches and other places of business. It provides that a place of business of CBA or CBA Savings Bank is, on the appointed day, to be deemed a place of business of Wales or Wales Savings Bank. Subclause (4) is a special provision dealing with Torrens title land held under the provisions of the Real Property Act, 1886-1982. It deems Wales or Wales Savings Bank, as the case may be, to be registered proprietor of an interest of which CBA or CBA Savings Bank is registered as proprietor before the appointed day.

Subclause (5) provides for the Registrar-General to give effect to instruments executed by Wales or Wales Savings Bank where CBA or CBA Savings Bank is the registered proprietor. Subclause (6) ensures that where a liability to CBA or CBA Savings Bank remains a liability to those banks after the passing of the legislation they will continue to have rights to enforce payment of the liability.

Clause 7 is a transitional provision relating to CBA. Paragraphs *(a)* and *(b)* ensure that instructions, mandates and instruments given by customers or others to CBA and in force before the appointed day become binding on Wales in place of CBA. Paragraph *(c)* provides that securities held by CBA before the appointed day are available as security for indebtedness and obligations to Wales after the appointed day (but in such a way that if, in a particular case, a person has liabilities to both banks before the appointed day, the former CBA security stands as security only for pre-existing liabilities and obligations to CBA and those to Wales incurred after the appointed day—in other words, where a CBA customer has an unsecured liability to Wales before the appointed day, a pre-existing CBA security will not thereafter cover that unsecured liability to Wales). Paragraph *(d)* ensures that where CBA has, before the appointed day, been entrusted with the safekeeping of documents or other property, Wales has, after the appointed day, the same obligations of safekeeping in relation to the relevant subject matter. Paragraph *(e)* provides that where, before the appointed day, CBA has a liability under a negotiable or other instrument, that liability will, after the appointed day, be a liability of Wales; and, similarly, where such an instrument is, before the appointed day, payable at a place of business of CBA, it will after the appointed day be payable at that place if it is then a place of business of Wales, or, if not, then at the place of business of Wales nearest to the place at which it was originally payable.

Paragraph *(f)* ensures that all banker-customer relationships existing between CBA and its customers immediately before the appointed day become, after the appointed day, identical relationships between Wales and the relevant customers. Paragraph *(g)* deals with all manner of contracts, agreements, conveyances and other documents to which CBA is a party before the appointed day, and puts Wales into the same position as CBA in relation to those documents. Paragraph *(h)* preserves legal proceedings to which CBA was a party before the appointed day. Paragraph *(i)* ensures that, by reason only of the amalgamation, CBA or Wales cannot be regarded as having committed a breach of contract or other civil wrong. It also ensures that a guarantor liable to CBA is not, by reason of the amalgamation, in any way released from his liability. Paragraph *(j)* deals with a special aspect of the general matter covered by paragraph *(i)*: the amalgamation is not to be taken to breach any covenant against assignment or any obligations of confidentiality to which CBA is subject.

Clause 8 makes, in relation to CBA Savings Bank, the same provisions as are made by clause 7 in relation to CBA. Clause 9 deals with the occupation of land. It is directed particularly to cases where a leasehold interest in land is an 'excluded asset' and, by virtue of the amalgamation, Wales occupies and uses that land: for example, where CBA or CBA Savings Bank holds a lease of banking premises which, by virtue of the amalgamation, becomes Wales or Wales Savings Bank banking premises. In such a case, CBA or CBA Savings Bank, as the case may be, is not to be regarded as being in breach of its lease by reason only of the fact that Wales or Wales Savings Bank occupies and uses the relevant premises.

Clause 10: The purpose of clause 10 is to ensure that there is no change in the position or rights of any person who is engaged in litigation involving CBA or CBA Savings Bank. Such litigation will, notwithstanding the amalgamation, continue in the same way as if the legislation had not been passed, save that Wales or Wales Savings Bank (as the case may be), will take the place of CBA or CBA Savings Bank.

Clause 11 is concerned with evidence. It ensures that, notwithstanding the amalgamation, no party (whether one of the banks or another party) is disadvantaged so far as the availability of evidence in court proceedings is concerned. Clause 12: This important clause deals with employees of CBA (CBA Savings Bank, not having employees of its own). Because the businesses of CBA and CBA Savings Bank are automatically vested in Wales and Wales Savings Bank, it follows that CBA and CBA Savings Bank will not have any independent operations after the legislation takes effect. Hence it is necessary to provide that employees previously in the service of CBA become employees of Wales. This is achieved by clause 12 *(a)*. At the same time, however, the rights and entitlements of these employees are fully protected.

Clause 12 specifically provides that an employee of CBA who, by virtue of the Act, becomes an employee of Wales does so in such a way that his contract of employment is deemed to be unbroken and the period of his service with CBA is deemed to have been a period of service with Wales. Furthermore, it is expressly provided that the terms and conditions of the employment of each relevant employee with Wales are, on the appointed day (and thereafter until varied) identical with the terms and conditions of employment with CBA immediately before the appointed day. As far as variation of terms of employment is concerned, clause 12 provides that those terms and conditions are capable of alteration in the same manner as they could have been varied had the employees continued with CBA or in the same manner as the general terms and conditions of employment of other persons employed by Wales can be varied.

Because of the safeguards as to continuity of employment, it is provided that an employee of CBA who becomes an employee of Wales is not entitled actually to receive benefits (for example, long-service leave) which would otherwise have been payable to him in the case of a termination of his employment. The terms of the legislation as a whole ensure that his ultimate entitlement, taking account of the whole of his combined service with CBA and Wales, will become available to him in the normal course as an employee of Wales.

Special provision is made about superannuation funds. The legislation provides that superannuation entitlements are to continue to be governed by the rules of the funds concerned. Thus, unless and until a former CBA employee elects or agrees to become a member of a Wales superannuation fund, he will continue to be a member of the relevant CBA fund, with the result that his entitlements will

continue to accrue as if he haa continued to be a CBA employee. In this way, there is no diminution of benefits, and employees will in due course be approached with proposals for transfer to Wales superannuation funds, which proposals they will be able to assess and evaluate for themselves. Any employee who wishes to remain indefinitely under existing CBA superannuation arrangements will be entitled to do so. Finally, it is provided that a director, secretary or auditor of CBA or CBA Savings Bank does not by virtue of the legislation become a corresponding officer of Wales.

Clause 13 deals with the numerous trust and nominee arrangements administered by CBA Nominees Limited. It provides for the assumption of these arrangements by subsidiaries of Wales which, in fact, has several nominee companies. The intention is that CBA trust and nominee arrangements be transferred to whichever of the Wales nominee companies is judged suitable, having regard to the nature and scope of the operations of those companies. Where, pursuant to such an assumption of nominee positions, a Wales nominee company becomes entitled to a registered interest in land, it will be possible, under the legislation, for the Registrar-General to take account of the new ownership.

Clause 14 is a machinery provision designed to facilitate the registration of Wales and Wales Savings Bank as the holders of shares, debentures and other company interests vested in them by virtue of the legislation. Clause 15 deals with a particular point arising under the proposed new Companies (South Australia) Code. In the absence of this provision, it would be necessary for Wales and Wales Savings Bank to file separate notifications of acquisition of each company charge to which they succeed by virtue of the legislation. The purpose of this clause is to ensure that, by filing with the relevant authorities a statement that the undertakings of CBA and CBA Savings Bank have vested pursuant to the legislation, Wales and Wales Savings Bank will be deemed to have satisfied the obligation otherwise binding on them.

Clause 16 ensures that a person dealing with an asset of CBA or CBA Savings Bank is not disadvantaged by reason of the fact that he is unaware that that asset is one of the 'excluded assets'. The public at large will thus be protected against the possibility of dealing with the wrong owner. Clause 17 declares that no duties will be payable in respect of any document or transaction executed or entered into for the purpose of the legislation. Instead a sum in lieu of stamp duty will be paid by Wales for the benefit of the general revenue.

The Hon. C. J. SUMNER secured the adjournment of the debate.

COMMERCIAL BANKING COMPANY OF SYDNEY LIMITED (MERGER) BILL

The Hon. K. T. GRIFFIN (Attorney-General) obtained leave and introduced a Bill for an Act to provide for the transfer in South Australia to the National Bank of Australasia Limited of the undertaking of the Commercial Banking Company of Sydney Limited, and for the transfer in South Australia to the National Bank Savings Bank Limited of the undertaking of CBC Savings Bank Limited, and for other purposes.

Read a first time.

The Hon. K. T. GRIFFIN: I move:

That this Bill be now read a second time.

The purpose of this Bill is to facilitate the merger of the Commercial Banking Company of Sydney Limited ('CBC') and CBC Savings Bank Limited ('CBC Saving. Bank') with the National Bank of Australasia Limited (for the purposes of the second reading explanation called 'National') and the National Bank Savings Bank Limited (for the purposes of the second reading explanation called 'National Savings Bank').

On 1 October 1981, pursuant to schemes of arrangement under the Companies Act 1961 of New South Wales, CBC became a wholly-owned subsidary of National. CBC Savings Bank is a wholly-owned subsidiary of CBC and is therefore now controlled by National. National Savings Bank is a wholly-owned subsidiary of National. The banks intend that the business of CBC should be conducted by National and that the business of CBC Savings Bank should be conducted by National Savings Bank. To achieve this it is necessary that the assets and liabilities of CBC be transferred to National and that the assets and liabilities of CBC Savings Bank be transferred to National Savings Bank. Since the balance of this second reading explanation largely follows that which I gave earlier, I seek leave to have that and the detailed explanation of clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

The only practical means of effecting such a transfer is by legislation. The multitude of customers' accounts must be transferred from CBC and CBC Savings Bank to the National Group in an orderly and organised fashion and with minimum inconvenience to customers. The only method of achieving this (other than by this legislation) is for each customer to individually transfer his accounts and other business to the National Group. The inconvenience to each customer would be considerable and the task for the banks of processing such a large number of transfers in sufficiently short a time would be almost impossible. It is for this reason that the Government has decided to introduce this legislation. It should be noted that the Bill does not compel any person to remain a customer of National or of National Savings Bank. A customer is free to transfer his business from CBC or CBC Savings Bank to another bank before this legislation has effect and at any time after it has effect he may transfer his business from National or National Savings Bank to a bank of his choice.

There are precedents both in Australia and overseas for legislative transfer of assets in these circumstances. The Bank of Adelaide precedent is very recent. That was a case in which an orderly transfer of operations from the Bank of Adelaide to the ANZ Bank occurred by Act of Parliament so as to remove altogether the need for individual customers to re-organise their personal banking arrangements. A similar approach was taken in 1970 when the English, Scottish and Australian Bank merged with the then Australia and New Zealand Bank to form the present Australian and New Zealand Banking Group Limited. There are similar precedents in the United Kingdom. The present major English clearing banks, five in number, resulted largely from banking amalgamations of the 1960s and 1970s. By and large, those amalgamations were facilitated by legislation of the kind now contemplated.

One result of the passing of this legislation whereby property is transferred to the National Group is that the banks escape the payment of stamp duty. However they have agreed with the Government to pay to General Revenue a sum that is equivalent to the duty that would otherwise be payable. This sum will be calculated by Treasury officials working with officers from the banks.

Clause 1 is formal. Clause 2 provides for the commencement of the Act. It provides that the Act will come into

operation on a day to be proclaimed which will allow flexibility in timing and will enable co-ordination of the transfer throughout the Commonwealth. It is hoped that it will be possible to consummate the transfer on 1 October 1982, provided, of course, that legislation can be obtained in all States before that date.

Clause 3 provides definitions of terms used in the Bill. Several of the definitions are of particular importance to the working of the legislation. The 'appointed day' is the day on which the Act comes into operation by proclamation under clause 2. 'Excluded assets' is a term used to describe assets which are excluded from the amalgamation and which will therefore remain vested in either CBC or CBC Savings Bank. Land and shares held otherwise than by way of security will remain vested in CBC and CBC Savings Bank. 'Undertaking' means all property and all liabilities of CBC and CBC Savings Bank, except for property which is 'excluded assets' and liabilities relating to such 'excluded assets'. It is the 'undertaking' thus defined of CBC and CBC Savings Bank that is to be vested by the legislation in either National or National Savings Bank as appropriate.

Clause 4: This clause provides that the Act shall bind the Crown. Clause 5 effects the vesting of the undertaking of CBC and CBC Savings Bank in National and National Savings Bank respectively. It is the central provision of the legislation, being the principal means by which the need for separate transfer of each asset and separate assumption or renewal of each liability of CBC and CBC Savings Bank is avoided.

Subclause (2) contains certain provisions concerning the interpretation of instruments following upon the vesting of the 'undertakings' of CBC and CBC Savings Bank pursuant to clause 5 (1). Essentially, it says that wherever the name of CBC or CBC Savings Bank appears, it is to be interpreted as referring to National or National Savings Bank. Furthermore, where there is in any instrument a reference to a nominated officer of CBC or CBC Savings Bank, that reference is to be interpreted as a reference to a managing director of National or his delegate.

Subclause (3) deals with branches and other places of business. It provides that a place of business of CBC or CBC Savings Bank is, on the appointed day, to be deemed a place of business of National or National Savings Bank. Subclause (4) is a special provision dealing with Torrens' title land held under the provisions of the Real Property Act, 1886-1982. It deems National or National Savings Bank, as the case may be, to be registered proprietor of an interest of which CBC or CBC Savings Bank is registered as proprietor before the appointed day.

Subclause (5) provides for the Registrar-General to give effect to instruments executed by National or National Savings Bank where CBC or CBC Savings Bank is the registered proprietor. Subclause (6) ensures that, where a liability to CBC or CBC Savings Bank remains a liability to those banks after the passing of the legislation, they will continue to have rights to enforce payment of the liability.

Clause 6 is a transitional provision relating to CBC. Paragraphs *(a)* and *(b)* ensure that instructions, mandates and instruments given by customers or others to CBC and in force before the appointed day become binding on National in place of CBC.

Paragraph *(c)* provides that securities held by CBC before the appointed day are available as security for indebtedness and obligations to National after the appointed day (but in such a way that if, in a particular case, a person has liabilities to both banks before the appointed day, the former CBC security stands as security only for pre-existing liabilities and obligations to CBC and those to National incurred after the appointed day—in other words, where a CBC customer has an unsecured liability to National before the appointed day, a pre-existing CBC security will not thereafter cover that unsecured liability to National.

Paragraph *(d)* ensures that where CBC has, before the appointed day, been entrusted with the safekeeping of documents or other property, National has, after the appointed day, the same obligations of safekeeping in relation to the relevant subject matter.

Paragraph *(e)* provides that where, before the appointed day, CBC has a liability under a negotiable or other instrument, that liability will, after the appointed day, be a liability of National; and, similarly, where such an instrument is, before the appointed day, payable at a place of business of CBC, it will after the appointed day be payable at that place if it is then a place of business of National, or, if not, then at the place of business of National nearest to the place at which it was originally payable. Paragraph *(f)* ensures that all banker-customer relationships existing between CBC and its customers immediately before the appointed day become, after the appointed day, identical relationships between National and the relevant customers. Paragraph *(g)* deals with all manner of contracts, agreements, conveyances and other documents to which CBC is a party before the appointed day, and puts National into the same position as CBC in relation to those documents.

Paragraph *(h)* preserves legal proceedings to which CBC was a party before the appointed day. Paragraph *(i)* ensures that, by reason only of the amalgamation, CBC or National cannot be regarded as having committed a breach of contract or other civil wrong. It also ensures that a guarantor liable to CBC is not, by reason of the amalgamation, in any way released from his liability. Paragraph *(j)* is similar to paragraph *(i)* but preserves the validity of things done or suffered by CBC or National under the Act.

Clause 7 makes, in relation to CBC Savings Bank, the same provisions as are made by clause 6 in relation to CBC. Clause 8 deals with the occupation of land. It is directed particularly to cases where a leasehold interest in land is an 'excluded asset' and, by virtue of the amalgamation, National occupies and uses that land: for example, where CBC or CBC Savings Bank holds a lease of banking premises which, by virtue of the amalgamation, becomes National or National Savings Bank banking premises. In such a case, CBC or CBC Savings Bank, as the case may be, is not to be regarded as being in breach of its lease by reason only of the fact that National or National Savings Bank occupies and uses the relevant premises.

Clause 9: The purpose of clause 9 is to ensure that there is no change in the position or rights of any person who is engaged in litigation with CBC or CBC Savings Bank. Such litigation will, notwithstanding the amalgamation, continue in the same was as if the legislation had not been passed, save that National or National Savings Bank (as the case may be), will take the place of CBC or CBC Savings Bank.

Clause 10 is concerned with evidence. It ensures that, notwithstanding the amalgamation, no party (whether one of the banks or another party) is disadvantaged so far as the availability of evidence in court proceedings is concerned.

Clause 11: This important clause deals with employees of CBC (CBC Savings Bank, not, having employees of its own). Because the businesses of CBC and CBC Savings Bank are automatically vested in National and National Savings Bank, it follows that CBC and CBC Savings Bank will not have any independent operations after the legislation takes effect. Hence it is necessary to provide that employees previously in the service of CBC become employees of National. This is achieved by clause 11 *(a)*. At the same time, however, the rights and entitlements of these employees are fully protected.

Clause 11 specifically provides that an employee of CBC who, by virtue of the Act, becomes an employee of National does so in such a way that his contract of employment is deemed to be unbroken and the period of his service with CBC is deemed to have been a period of service with National. Furthermore, it is expressly provided that the terms and conditions of the employment of each relevant employee with National are, on the appointed day (and thereafter until varied) identical with the terms and conditions of employment with CBC immediately before the appointed day.

As far as variation of terms of employment is concerned, clause 11 provides that those terms and conditions are capable of alteration in the same manner as they could have been varied had the employees continued with CBC or in the same manner as the general terms and conditions of employment of other persons employed by National can be varied.

Because of the safeguards as to continuity of employment, it is provided that an employee of CBC who becomes an employee of National is not entitled actually to receive benefits (for example, long-service leave) which would otherwise have been payable to him in the case of a termination of his employment. The terms of the legislation as a whole ensure that his ultimate entitlement, taking account of the whole of his combined service with CBC and National, will become available to him in the normal course as an employee of National.

Special provision is made about superannuation funds. The legislation provides that superannuation entitlements are to continue to be governed by the rules of the funds concerned. Thus, unless and until a former CBC employee elects or agrees to become a member of a National superannuation fund, he will continue to be a member of the relevant CBC fund, with the result that his entitlements will continue to accrue as if he had continued to be a CBC employee. In this way, there is no diminution of benefits, and employees will in due course be approached with proposals for transfer to National superannuation funds, which proposals they will be able to assess and evaluate for themselves. Any employee who wishes to remain indefinitely under existing CBC Superannuation arrangements will be entitled to do so.

Finally, it is provided, that a director, secretary or auditor of CBC or CBC Savings Bank does not by virtue of the legislation become a corresponding officer of National. Clause 12 provides for the transfer of trust property held by the nominee company for the Commercial Banking Company of Sydney Group to the nominee company of the National Group. The transfer will enable the National Group to continue to provide trust and nominee services to its new customers.

Clause 13 is a machinery provision designed to facilitate the registration of National and National Savings Bank as the holders of shares, debentures and other company interests vested in them by virtue of the legislation.

Clause 14 deals with a particular point arising under the proposed new Companies (South Australia) Code. In the absence of this provision, it would be necessary for National and National Savings Bank to file separate notifications of acquisition of each company charge to which they succeed by virtue of the legislation. The purpose of this clause is to ensure that, by filing with the relevant authorities a statement that the undertakings of CBC and CBC Savings Bank have vested pursuant to the legislation, National and National Savings Bank will be deemed to have satisfied the obligation otherwise binding on them.

Clause 15 ensures that a person dealing with an asset of CBC or CBC Savings Bank is not disadvantaged by reason of the fact that he is unaware that that asset is one of the 'excluded assets'. The public at large will thus be protected against the possibility of dealing with the wrong owner.

Clause 16 declares that no duties will be payable in respect of any document or transaction executed or entered into for the purpose of the legislation. Instead a sum in lieu of stamp duty will be paid by National for the benefit of the general revenue.

The Hon. C. J. SUMNER secured the adjournment of the debate.

COMPANIES (APPLICATION OF LAWS) ACT AMENDMENT BILL

The Hon. K. T. GRIFFIN (Attorney-General) obtained leave and introduced a Bill for an Act to amend the Companies (Application of Laws) Act, 1982. Read a first time.

The Hon. K. T. GRIFFIN: I move:

That this Bill be now read a second time.

Members will recall that in accordance with South Australia's commitments under the co-operative companies and securities scheme, the Companies (Application of Laws) Act, 1982, was passed earlier this year. It is proposed that, together with similar Acts passed in the other States of Australia, it will come into operation on 1 July 1982. The Act applies the provisions of the Companies Act 1981 of the Commonwealth as laws of South Australia, with variations agreed upon by the Ministerial council for companies and securities to suit South Australian requirements. These variations are set out in schedule 1 to the Companies (Application of Laws) Act, 1982.

The purpose of this Bill is to allow trustee companies in this State to continue to act as liquidators. Each of the four South Australian trustee companies is empowered under its enabling legislation to act as liquidator. Registration as a liquidator under the Companies Act 1981 of the Commonwealth is restricted to natural persons. The purpose of this amendment is to alter the application of the provisions of the Companies Act 1981 of the Commonwealth in South Australia so that the South Australian trustee companies may continue to act as liquidators.

Clause 1 is formal. Clause 2 makes the necessary amendment to schedule 1 of the principal Act. Schedule 1 sets out local variations to the Commonwealth provisions as they apply in South Australia. In this case an additional subsection will be inserted in section 417 of the Companies (South Australia) Code which will preserve the right of trustee companies to act as liquidators.

The Hon. C. J. SUMNER secured the adjournment of the debate.

BUILDING SOCIETIES ACT AMENDMENT BILL

The Hon. J. C. BURDETT (Minister of Consumer Affairs) obtained leave and introduced a Bill for an Act to amend the Building Societies Act, 1975-1981. Read a first time.

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

That this Bill be now read a second time.

It expands and makes more flexible the provisions of the Building Societies Act, 1975-1981, under which two or more building societies may amalgamate. At present section 21 of the principal Act provides that two or more building societies may be amalgamated either upon application or at the direction of the Minister of Consumer Affairs. Section

22 prescribes the procedures for amalgamation by application. Briefly, each society involved must first be authorised by special resolution to apply to the Registrar of Building Societies. A joint application is then made and certain procedural requirements must be complied with, relating mainly to notification of members.

Pursuant to section 23, the Minister may, where a society is insolvent or in danger of becoming insolvent and another society agrees by special resolution to amalgamate with the first society, direct that the two societies amalgamate. Again, certain procedures must be complied with. Where section 22 or 23 has been complied with, the Registrar must, pursuant to new section 23a, register the society formed by the amalgamation, and its rules, and cancel the registration of the societies which have amalgamated. Pursuant to section 23a, the society resulting from the amalgamation has the combined assets and liabilities of the amalgamating societies.

Section 12 of the principal Act regulates the registration of new building societies. A major requirement is that of subsection (3) which provides:

(3) A society shall not be registered under this Act unless it has a share capital of not less than $2 000 000 of which not less than $1 000 0000 is available on terms that:

(a) do not require repayment thereof before the expiration of ten years after the day on which it is received by the society; and

(b) require any repayment thereof to be made only with the consent of the Registrar.

By dint of section 23a (2), no societies may amalgamate, either voluntarily or by direction of the Minister, unless the resulting society would comply with section 12 (3). There is a strong argument that even without section 23a (2) any society resulting from an amalgamation under section 22 or 23 would still have to comply with section 12 (3), as it would be a new society, and section 12 (3) refers unconditionally to new societies.

Two existing small building societies have indicated that they wish to amalgamate pursuant to section 22 of the principal Act. They have discovered, however, that there are two obstacles to this proposal. The first, and more serious, is that the society which would result from the amalgamation cannot comply with the requirement as to capital base prescribed by section 12 (3). Both societies existed when the Act came into operation in 1975 and as such were exempted pursuant to section 4 (2) of the Act from the requirement to comply with section 12 (3). Even by amalgamation the societies cannot gain this required capital basis. The second obstacle is that the only method of amalgamation under the Act is the formation of a new, separate legal entity and the extinction of the amalgamating societies. These societies would rather be able to have one merely take over the other's assets and liabilities and so retain that first society's identity with the public.

The Government considers that, generally, the requirements of section 12 (3) should be retained as a benchmark with which new societies should comply and to which amalgamating societies should aspire. It considers, however, that there should be flexibility to allow amalgamations of existing societies where the resulting society would have a viable capital base, notwithstanding that it falls short of that prescribed in section 12 (3), and the amalgamation is in the public interest. Accordingly, this Bill reproduces in Division V of Part III those provisions of Division II that should apply to a new society formed by amalgamation, including the requirement as to capital base, but confers power on the Registrar to exempt the new society from the capital base requirement if he is satisfied that there is good reason in the public interest for doing so. The Registrar is given this power as it is consistent with his role under the Act of maintaining close contact with societies and being the officer in the first instance responsible for scrutinising the industry. The Registrar is in the best position to assess a society's viability and the public effects of a proposed amalgamation. In practice, he would only make such a decision after consulting with the Building Societies Advisory Committee and Treasury officers so that all relevant factors are considered.

The Bill also adds a new type of amalgamation, namely, where one society transfers all its assets and liabilities to an existing society, rather than the two societies forming a third, new society. This will add to the range of options available to building societies to the benefit of the industry generally, by allowing the amalgamated society to retain its identity and association with the public, if it prefers to do so. The opportunity has also been taken to correct a drafting omission by inserting in section 3 the heading to Division V of Part VII.

The Building Societies Advisory Committee, which is established under the Act to advise and make recommendations to the Minister on the operations of building societies and comprises three representatives of building societies, the Registrar of Building Societies, a nominee of the Treasurer and a nominee of the Minister of Housing, supports this Bill as being in the best interests of the industry. I seek leave to have the detailed explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clauses 1 and 2 are formal. Clause 3 inserts new definitions in the principal Act. The purpose of these new definitions is to widen the concept of 'amalgamation'. At present 'amalgamation' denotes the merger of two or more societies to form a totally new society which assumes all the rights and liabilities of the amalgamating societies. Under the proposed new definition a further concept of amalgamation is put forward under which one or more societies merge with another society without however affecting the corporate identity of that other society. Thus in this latter case no new society is formed by the amalgamation. Definitions of 'continuing society' and 'merging society' are also inserted in the principal Act. These definitions are consequential upon the expanded concept of amalgamation.

Clause 4 repeals sections 22, 23 and 23a of the principal Act and inserts new sections in their place. New section 22a deals with the manner in which an application for amalgamation is to be made. It provides that a society proposing to join in an application for amalgamation must send out certain information which is relevant to the application to its members. Where objection is made by 10 per cent or more of the members of the society to the proposed amalgamation the motion for the special resolution authorising the society to join in the application is not to be placed before a general meeting of the society. Subsection (6) authorises the Registrar to grant exemptions from the requirements of section 22 in appropriate cases. Before granting exemption he may give notice of the application for exemption and hear any interested persons on the question of whether the exemption should be granted. Section 23 deals with the case of a society which is insolvent or in danger of becoming insolvent. In such a case the Minister may direct an amalgamation.

The other society with which the insolvent or financially insecure society is to be amalgamated must have agreed by special resolution to accept the amalgamation. The provisions for giving notice to members of the proposal to pass such a special resolution and for the Registrar to grant exemptions correspond with similar provisions in the previous section. New section 23a provides for the amalgamation of societies where application has been duly made, or where the Minister directs such an amalgamation, and, under the terms of the

amalgamation, a new society is to be formed. The section provides for the issue of a certificate of incorporation for the society to be formed by the amalgamation and for the transfer of the assets and liabilities of the amalgamating societies to the new society. New section 23b provides for the case where the amalgamation is to take effect by means of the merger of a society or societies with an existing society without affecting the corporate identity of that society. It provides for the transfer of assets and liabilities to the continuing society.

The Hon. C. J. SUMNER secured the adjournment of the debate.

ROAD TRAFFIC ACT AMENDMENT BILL (1982)

Second reading.

The Hon. K. T. GRIFFIN (Attorney-General): I move:

That this Bill be now read a second time.

The National Association of Australian State Road Authorities, which is an association comprising the South Australian Highways Department and similar interstate authorities, undertook a study to determine the most appropriate mass and dimension limits for commercial motor vehicles which should apply nationally or in particular regions of Australia. The study, known as the Economics of Load Vehicle Limits Study, brought down its report in November 1975, and the report was then referred to the Australian Transport Advisory Council. After consideration by the advisory committee on vehicle performance, and after consultation with industry, draft regulations incorporating the recommendations were adopted by ATAC in February 1977. These draft regulations were referred to a State committee established to consider commercial vehicle limits in South Australia. The committee has recommended the adoption of the draft regulations with a few minor variations to suit South Australian conditions. The major purpose of the present Bill is to provide the legislative framework under which the regulations can be implemented. The opportunity is taken to amend certain definitions and evidentiary provisions in order to facilitate prosecutions of overloading offences. I seek leave to have the detailed explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clauses 1 and 2 are formal. Clause 3 amends the definition section of the principal Act. A new definition of 'axle' is inserted, as the existing definition has been criticised by some courts as being too difficult to interpret. A definition of 'primary producer' is inserted. A new subsection is inserted dealing with the technical matter of ascertaining the mass carried on a wheel of a vehicle. Clause 4 repeals a section relating to determining the mass of vehicles. This provision will be more appropriately placed in a later part of the Act.

Clause 5 is a consequential amendment. Clauses 6, 7 and 8 are all concerned with amendments that make possible the implementation of the new provisions relating to vehicle dimensions and vehicle mass. The substance of the provisions will, of course, be contained in the regulations, but the Act provides the basic structure and penalties for infringement of the mass and dimension requirements. Under the proposed regulations, there will be a 10 per cent tolerance for gross vehicle mass limits and gross combination mass limits for owners of heavy vehicles (except primary producers) for a period of 3½ years, at the end of which time their vehicles must not exceed the mass limits determined in respect of their vehicles. However, primary producers are to be given a 20 per cent tolerance factor for the gross vehicle mass limits and gross combination mass limits applicable to their vehicles for a period of 3½ years, and then a 10 per cent tolerance factor for the next 6½ years. At the end of 10 years, therefore, their vehicles must not exceed the mass limits determined in respect of their vehicles. New section 147 replaces section 34 that was repealed earlier in this Bill.

Clauses 9 and 10 are consequential amendments. Clause 11 amends the evidentiary provisions relating to determining the mass of vehicles and their loads, and the mass carried on axles and wheels. A statement from a person in charge of a weighbridge may contain statements as to certain measurements, dimensions and specifications that must be ascertained for the purpose of determining the extent to which a vehicle, axle or wheel, etc., is overloaded.

Clause 12 inserts a regulation-making power providing for the determination by the Registrar of Motor Vehicles of specified mass limits (that is, gross vehicle mass and gross combination mass limits) in relation to particular vehicles or a particular class of vehicle. An advisory committee may be established by the regulations for the purpose of advising the Registrar in relation to carrying out this function. The regulations will provide for mass limits determined by the Registrar to be entered on certificates of registration.

The Hon. FRANK BLEVINS secured the adjournment of the debate.

FISHERIES BILL

Consideration in Committee.

The Hon. C. M. HILL (Minister of Local Government): I move:

That the Legislative Council do not insist on its amendment No. 2 to which the House of Assembly had disagreed.

Honourable members will notice from the papers before them that one amendment to this Bill was agreed to in another place but that the Government was unable to accept the amendment which is now before the Committee and on which I ask the Council not to insist. When the amendment was moved by the Hon. Mr Milne and supported by members opposite a great number of amendments were under consideration.

The Hon. Mr Milne was of the view that fishing interests strongly supported him in moving the amendment, the purpose of which was to require public servants in the Department of Fisheries to make to the Minister a declaration of interest if those public servants had a propriety or pecuniary interest in a business, company or trust that had an interest in a business involving the taking of fish or dealing in or with fish.

The argument that the Government used when the Hon. Mr Milne moved his amendment was that there was no need to obtain declarations from public servants. I expressed the fear that, if this proposal was written into the Statute Book, it might well lead to a situation in which Ministers in other portfolios might have to seek declarations from their staff in regard to pecuniary and other interests generally.

As I pointed out previously, we have in this State a Public Service that has an excellent reputation in relation to its honesty and integrity and, although the honourable member and other members who supported him went to some pains to suggest that they were not in any way reflecting on our public servants, I pointed out then, and I repeat, that from the point of view of our public servants this must be taken as some reflection on them. I therefore believe that the amendment is unnecessary.

The need for some control in this area over fisheries officers is already contained in clause 27 of the Bill. Those officers are employed or retained by the department and are involved in the actual policing of the Act. Although it is quite proper in my view that there should be some control over fisheries officers, it is completely unnecessary for other people in the department, namely, the public servants, to have to make a declaration of interest of this kind.

We are talking not just about people who have come to work for the Government for a short period of time but about career officers whose integrity has been, and indeed is, unquestioned. As the Government feels strongly that there is no need to subject our public servants in this department to this requirement, I ask the Council not to insist on the amendment.

The Hon. B. A. CHATTERTON: I oppose the motion. This amendment, which was moved by the Hon. Mr Milne, did not go as far as the amendment that I moved to the same clause, although it did go in the same direction. That is why the Opposition supported that amendment. I find the Minister's argument rather strange because, as he admitted in this debate, the Government, in this Bill, already requires fisheries officers to declare their interests. In fact, a number of earlier clauses insist on that.

Those fisheries officers are public servants, and the Minister does not see that as a reflection on their integrity. I therefore find it rather strange that he agrees that this amendment, moved by the Hon. Mr Milne, is a reflection on the integrity of Public Service officers. If that is the case, why is not the Government's own Bill a reflection on the integrity of fisheries officers who must police the legislation?

The Hon. C. M. Hill: That's not new, is it? You had that in your legislation.

The Hon. B. A. CHATTERTON: I think that it has been in earlier legislation, and that it has been supported by both Parties. The important point is that, while fisheries officers are involved in policing the legislation, many other public servants are also involved in even more important decisions concerning the future of fishermen: as to whether they will get a licence or whether it will be endorsed with certain conditions attached, and in relation to a whole host of conditions and restrictions that are applied to licences. There is great opportunity for patronage in this area, and it seems to me not unreasonable to protect the public servants by insisting on the making of this declaration. The Minister knows then that the public servants are not involved in any way and can be confident that the advice he receives is impartial and disinterested. It seems to be a moderate and reasonable amendment. It does not go as far as I would have liked an amendment to this clause to go, but it is certainly an improvement on the existing clause.

The Hon. K. L. MILNE: I support the comments of the Hon. Mr Chatterton on this matter. It is not a matter of integrity whatever: that was never in question. Both of us are arguing that in a matter of this nature, involving the actual machinery of a declaration, the idea is to protect public servants. I have had much experience in the fishing industry in my practice as a chartered accountant when, to a great degree, I looked after Safcol. I can remember the attitude of fishermen to Safcol's own management and the department. Fishermen are individualists who spend much time on their own, well away from administration and the people who are controlling them, and even away from their market, and they have instinctive distrust of people. Often they suspect that people are doing things that they are not doing. It was with that aspect in mind that I am sure the Hon. Mr Chatterton introduced his amendment in the first place. I was trying to make a distinction between the policing officers who, it is obvious, should be debarred from having any interest in the fishing industry whatever, and departmental officers, some of whom have some interest in the decisions that are made and in giving advice on areas of fisheries and definitions and the like.

There is no intention to institute any slight on public servants. It is most unfair for the Government to suggest that. It was suggested in another place, and I do not like that sort of thing. The Government knows it is not true. The amendment is designed to protect the departmental officers and stop misunderstanding between them and fishermen, without whom they would not have a job. Both the fishermen and the departmental officers do their best, and this amendment seeks to avoid any misunderstanding coming between them. That is all, and I want to pursue it.

The Hon. C. M. HILL: The Hon. Mr Milne claims that he is not in any way questioning the integrity of members of the Public Service. If he is not questioning that, why has he moved his amendment? There is no doubt at all that public servants must feel, when they see the amendment, that their integrity is coming into question. I have not spoken to any of these specific officers who would be involved. I have not spoken to the Public Service Association but I have little doubt that, if it knew what was going on today, it would be down here smartly.

The Hon. C. J. Sumner: Why don't you go and tell it?

The Hon. C. M. HILL: It may well be told before this Bill finally passes, because there is no doubt at all that public servants must take this measure as a slight against themselves. It is no good saying that that is not the case because, if the honourable member did not have any doubts about public servants, he would have never moved this amendment.

The Hon. K. L. Milne: That is nonsense.

The Hon. C. M. HILL: It is not nonsense. The only reason why the honourable member has moved his amendment is that he is yielding to fishermen and the fishing industry. Who is running the show? Just because fishermen crack the whip on the Hon. Mr Milne, are we to assume that he runs around and puts this amendment on file?

The Hon. G. L. Bruce: It's perfectly justifiable.

The Hon. C. M. HILL: It's not justifiable at all. I look at it from the view of the public servant. The Hon. Mr Milne has not even worded the amendment to tell the Minister what the Minister is supposed to do with the declaration. The amendment is worded in a slap-dash way so that the whole buck stops with the Minister when he gets the declaration.

The Hon. K. L. Milne: Where do you want it to stop?

The Hon. C. M. HILL: What does the honourable member want the Minister to do? It is a poorly thought out proposal that the honourable member has tried to put into words. He is trying to prohibit anyone who has an interest from holding office in this department. What is the situation of a genuine young man who may be the son of a fisherman and who seeks a permanent position in the Public Service and wants to contribute genuinely as a career officer in a field in which he has some background knowledge through his family? That young man has to make his way up the ladder in the department, if the amendment passes, with a black mark against his name, because he has to put in a pecuniary interest declaration to the Minister, whereas his colleague in the next office does not have to do that. Members opposite do not want to stop there: they want to cast the net into other departments, too. It is really going too far, as far as the Government is concerned, to have this kind of control and restriction, when there is not any real evidence of a need for it: there is merely a rumour that apparently the Hon. Mr Milne heard when he looked after Safcol interests or was dealing with fishermen in some other way. That is the basis of the situation. If there had been instances, one could have looked at the situation differently, but basing amendments upon rumour and being willing to yield to interests who really cannot bring forward any factual evidence

in this matter represents poor administration by a legislator.

The Government does not want this amendment within this Bill which, in all other respects, is being acclaimed as excellent legislation. All honourable members would agree that it is excellent legislation in a difficult area, because of the many conflicts of interest in the industry, mainly due to geographical differences and the like. Having got excellent legislation for the industry, in the industry's best interests, we are now at the winning post and the Hon. Mr Milne puts his nose forward and makes a run on the inside and clogs it up by this amendment. There is no prize or cup for that. I make a plea to the Hon. Mr Milne. I had some doubts from the time he moved his amendment about whether he believed it was worth while pursuing it to the bitter end. He made the point and he gave Parliament an indication that this is something that Parliament should watch carefully. I agree totally with that: in all portfolios this kind of thing has to be watched carefully, but to go the whole hog without any evidence and to force every public servant to line up with a pecuniary interest statement is going too far.

I can only ask the honourable gentleman to consider the matter fully. The last point I make is in answer to a comment by the Hon. Mr Chatterton in relation to the question of fisheries officers. Mr Chatterton said that we are restricting them with declarations but we are not restricting public servants. Even under the legislation when Mr Chatterton was Minister, there was a control upon fisheries officers. The Government is not altering that; it is only taking that control out of the previous legislation and keeping the *status quo*. I do not think it is a strong argument to ask, 'Why are we not prepared to put the control over public servants when we have it over fisheries officers?' I ask the Committee not to insist on its amendment so that we can put on the Statute Books legislation which is splendid in every respect.

The Hon. B. A. CHATTERTON: We went through most of the debate fully when the Bill was in the Committee stages. However, the Minister challenged me to name instances where there have been problems. I would refer him to the previous debate where I named three officers of the Commonwealth Department of Primary Industry involved in fisheries, namely, Mr Bollen, Mr Purnell-Webb and Mr Curtin. The Federal Minister for Primary Industry should have had more information on their pecuniary interests because their activities since they have left the department indicate that their knowledge should have been available to the Minister at the time. We have specific instances where this sort of legislation should have been in force.

The Committee divided on the motion:

Ayes (10)—The Hons J. C. Burdett, M. B. Cameron, J. A. Carnie, L. H. Davis, M. B. Dawkins, R. C. DeGaris, K. T. Griffin, C. M. Hill (teller), D. H. Laidlaw, and R. J. Ritson.

Noes (11)—The Hons Frank Blevins, G. L. Bruce, B. A. Chatterton (teller), J. R. Cornwall, C. W. Creedon, M. S. Feleppa, N. K. Foster, Anne Levy, K. L. Milne, C. J. Sumner, and Barbara Wiese.

Majority of 1 for the Noes.

Motion thus negatived.

JUSTICES ACT AMENDMENT BILL (No. 3)

In Committee.

(Continued from 10 June. Page 4528.)

Clause 2 passed.

Clause 3—'Commencement.'

The Hon. K. T. GRIFFIN: I move:

Page 1, line 16—After 'This Act' insert '(other than sections 1 and 2 which shall come into operation on assent)'.

At present, clause 3 provides that the Act shall come into operation immediately after the Justices Act Amendment Act, 1982, comes into operation. As the Leader rightly pointed out, that would create problems with the present clause 2, which seeks to allow for the suspension of certain provisions of both the earlier 1982 Amendment Act and this Bill where necessary. The point was a good one, and, as a result, I now have an amendment which, if passed, will mean that clause 3 will read:

This Act (other than sections 1 and 2 which shall come into operation on assent) shall come into operation immediately after the Justices Act Amendment Act, 1982, comes into operation.

Clauses 1 and 2 come into operation on assent, which will then mean that provisions of the earlier 1982 Amendment Act can be suspended and come into operation by proclamation made under the amendment before us at the present time.

Amendment carried; clause as amended passed.

Remaining clauses (4 to 12) and title passed.

Bill read a third time and passed.

ROXBY DOWNS (INDENTURE RATIFICATION) BILL

Adjourned debate on second reading.

(Continued from 10 June. Page 4527.)

The Hon. R. J. RITSON: This Bill may stand or fall on the vote of one person, the Australian Democrat. The Australian Democrat declared his opposition to the Bill before he had read it. It is clear that the honourable member's opposition to the Bill is based on the long-standing anti-nuclear debate which has beset this community for the past several years. It is important that in the second reading debate we canvass the matter widely and that Council members address themselves to the many factors, social and political, which influence the attitude of the community.

The most striking thing about this debate is the immense amount of propaganda that surrounds it. We have seen a prostitution of truth with deliberate confusion and obfuscation. Little is left of the scientific, economic or philosophic debate. All that remains is propaganda. The forces of the left have used a number of different styles of propaganda. I will analyse the styles of propaganda for the Council before moving on to some of the ideological positions behind the stances that have been taken. I will finish my contribution by making a positive proposition on the matter of nuclear proliferation and on the question of plutonium.

Propaganda falls into several classes. The simplest forms of propaganda to which the community has been subjected are the misleading slogans which are simple and cheap to put on bumper bars. These slogans are very difficult to answer because a logical answer will not fit on to stickers for bumper bars. Some slogans to which we have been subjected are 'Solar—not nuclear', 'Solar employs—nuclear destroys' and 'Leave uranium in the ground'. We have seen those slogans in their hundreds of thousands. They are quite stupid and aimed at concealing and confusing. Regarding the bumper bar sticker 'Solar—not nuclear', I point out that the nasty yellow object that rises in the sky each morning and disturbs our sleep is the biggest nuclear reactor, for millions of miles around. The sun is the reason why our 'sunshine State', Queensland, has the highest death rate from malignant melanomas of any place in the world. Solar is nuclear. The sun gives life, but it also irradiates us and brings death.

These bumper bars slogans scare and mislead people. Some of these scare tactics stick. The first confusion about the bumper bar sticker 'Solar employes—nuclear destroys' is that there is a connection implied between the peacful use of nuclear energy and nuclear warfare. That important distinction is glossed over in that slogan. Another untruth contained in it is the implication that solar does employ and can employ. Every device that converts sun energy directly into electrical energy is energy inefficient in the present state of technology. The energy input into these devices is such that it takes about 30 years of operation before one gets back as much electricity as was expended in manufacturing the device. That does not matter to the merchants of the misleading slogans. The untruth goes on.

Another slogan is 'Leave uranium in the ground'. We have seen what happens when one tries to put it back in the ground. The proponents of this argument are ready to grasp their placards and march down the street every time someone tries to put an ore sample back into the hole from which it came. These proponents call that dumping low-level nuclear waste, yet we are supposed to leave it in the ground. We have all heard these many slogans and seen them scare the population. We have seen them, almost in the style of Goebbels, produce an unconscious anxiety in the community. Perhaps thoughful people see beyond that.

The propaganda, however, does not stop there: it is not so simple. Other propaganda techniques have been used through the select committee appointed by this Council and also used in public forums and meetings. One of these propaganda techniques is what I would term the Bertell effect. This is a propaganda technique which depends upon a person who has marked political bias and a teritary education qualification using that qualification in order to gain a political platform and, having gained that platform, then pronouncing with great authority on everything under the sun in various fields in which that person is not qualified. Yet, such propaganda gains a certain respectability because of the existence of the qualification.

This is nowhere more obvious than in the evidence which Sister Rosalie Bertell of the Grey Nuns of Buffalo gave to the select committee appointed by this Council. That evidence is the greatest piece of codswallop I have ever come across. This lady has a clear political bias. She was brought to Australia and financed by certain left wing unions. Her first stop in South Australia seemed to be the steps of Parliament House where she appeared alongside the Leader of the Opposition at a public demonstration. She is qualified primarily in mathematics, but appeared to do nothing to dispel the implication in the daily press that she had some sort of qualification in clinical medicine. She allowed herself to be hailed as a cancer specialist and produced evidence to the select committee which was, for the most part, a series of bald statements unsubstantiated by facts, which dealt with economics, engineering, physics and many other things, apart from her statistical studies. It is of great interest to see what sort of critical reception that evidence received from the committee.

Some of the incredible non-questions that were not asked of her come to mind. Her description of a vast cloud of radon gas that will come down and envelop Adelaide certainly produced a scare headline in the media. She offered the committee no figures on the dilution factor. She did not suggest in any way that this gas might be diluted by the volume of air on the way down and that it would not matter. That did not surprise me. What surprised me was that no member of the committee asked her about the dilution factor. She explained that radon is almost eight times heavier than air. No member of the committee asked her why it would not fall out of the air. She made some statements about the genetic effects of radiation, and followed up by saying that they are unknown because the children of United States nuclear workers have not been studied. No-one asked her whether she had looked at the Hiroshima studies where not only those people irradiated but their children and the children of embryos irradiated in utero were studied. No-one asked her that. No-one asked her whether there was any statistical increase in genetic abnormalities in the Hiroshima studies.

The Hon. G. L. Bruce: Was there?

The Hon. R. J. RITSON: No.

The Hon. J. R. Cornwall: Why was that? That is very different from long-term, low-level gamma radiation. Even the Hon. Dr Ritson would know that.

The Hon. R. J. RITSON: The Hon. Dr Cornwall has attempted to draw a distinction between irradiation at the moment of the blast and chronic low-level radiation. Dr Cornwall would know that for some months or even years after the Hiroshima blast the population lived amongst low-level radiation.

The Hon. J. R. Cornwall: So gamma radiation does not cause genetic mutation?

The Hon. R. J. RITSON: If the Hon. Dr Cornwall had questioned Sister Bertell with the same vigour as he is questioning me, instead of feeding her a series of Dorothy Dixers, he might have performed his duty on that committee. For example, the Hon. Dr Cornwall might have been interested in seeing some of the original material from which Sister Bertell's evidence was gathered. Much of the information she gave the committee comprised statements drawn from her own papers, in particular a paper entitled 'The Nuclear Worker and Ionising Radiation', which was published in the *American Industrial Hygiene Association Journal* of May 1979. Reading that paper and the evidence together, one can see that the arguments and phrases in one were drawn from the other.

There is a very good reason why Sister Bertell was loathe to submit the original publication to the committee. The first thing that strikes the reader is the editorial disclaimer at the top of the article, as follows:

EDITOR'S NOTE: While going through the JOURNAL'S review process, this article generated a substantial amount of heated controversy. It is expected that publication will generate even more. Readers' comments are invited. They will be published in the 'comments . . . ' section in a later issue, together with the author's response. Comments should be submitted in essay form, rather than as a letter to the editor.

This so-called firm and authoritative evidence which was hardly questioned by the Hon. Dr Cornwall was published with an editorial disclaimer.

That leads me to the next propaganda technique, which has been proclaimed by the anti-uranium cause and which, henceforth, I will call the 'Cornwall technique'. I refer to selective criticism. When faced with evidence coming from a person of one's own political view one is hardly critical. However, when faced with evidence given by a person of opposite view one is very critical; if one can find nothing in the evidence to criticise scientifically, one criticises the witness.

I will demonstrate this effect by referring to page 161 of the uranium select committee evidence. After feeding Sister Bertell a series of Dorothy Dixers and not asking her important questions about the fall-out of radon, the dilution factor and so on, Dr Cornwall was faced with Professor Ypma. We see an example of the level to which Dr Cornwall must descend to find something wrong with Professor Ypma's evidence, as follows:

The Hon. J. R. Cornwall: It seems that you have a tremendous zeal for the whole nuclear energy picture which has perhaps not been matched since Saint Paul started to spread Christianity 2000 years ago. Are you showing suitable scientific detachment as a learned scholar in this matter when you paint the picture of the enormous bonanza that is in store for us or is there a certain lack

of balance—that your enthusiasm is affecting your scientific detachment? - - - Are you questioning my scientific integrity in this matter?

I just wonder whether your enthusiasm is not overcoming your scientific integrity? - - - I am not here to be insulted. I came here of my own free will and I take this as a serious insult, Dr Cornwall.

I am sure that most honourable members would be aware that serious insults are no stranger to the Hon. Dr Cornwall's lips. The stark contrast between the fervour with which the Hon. Dr Cornwall worshipped before the altar of Sister Bertell and the criticism that he levelled against the personal integrity of Professor Ypma only demonstrates that the Hon. Dr Cornwall has no scientific detachment but that he has a bias in the way in which he wishes to see the evidence.

Another quality that has crept into the uranium debate to obscure the scientific views is what I describe as straight-out, bloody-minded ignorance. To give an example, I refer to the Australian Democrat contribution where this lack of knowledge abounds. An Australian Democrat policy document, dated September 1981, contains a few paragraphs about the Party's social functions and then continues:

An indenture Bill will shortly be introduced into the Legislative Council. A.D. Council has asked Mr Milne to make it clear to the Government that he, the Party and the community will not tolerate such an important Bill being rushed through without time for consideration and discussion of both Bill and Regulations. A.D. Council has requested Mr Milne to vote against the Bill if the Government attempts to rush it through.

That is the Hon. Mr Milne's Party's policy; he should wait, examine the Bill and then use his vote in this Chamber to prevent its being rushed through before his Party has had time to examine it. However, what does the Australian Democrats bright-eyed little boy do to implement that policy? He has said he will oppose it, even though he has not read it. The full story can be read in the *Sunday Mail* of 14 March in an article entitled 'Milne speaks too soon'.

I suggest that he has spoken too much, because he has gone much further than the Labor Party would go in its opposition to the use of uranium. One of the interesting pronouncements of the Australian Democrats is headed, 'Scrap all uranium mining, says Milne', in the 30 May issue of the *Sunday Mail.* Mr Milne leaves no doubt that he really means all mining. He is talking not just about peaceful or restricted uses of uranium: he wants none of it. He wants it to be phased out over 30 years so that there is no uranium mining. I do not suppose the Hon. Mr Milne has thought that we have our own domestic nuclear reactor in Australia which needs uranium and which produces medical isotopes and industrial isotopes for X-raying industrial strength members and things like that. If his policy was followed through, obviously we would have to abandon a number of industrial and medical techniques or import the isotopes from other countries. I do not think that the Hon. Mr Milne meant that. I think that he just did not know.

There is a marvellous example of some other things which the Hon. Mr Milne does not know and which can be discovered by reading his section of the select committee's report, in which he makes the most extraordinary statement that uranium is dangerous because it leaves toxic wastes, whereas coal burns away to harmless ash. I want to say a few words about the 'harmless ash' that coal leaves. The select committee was told that there are radioactive elements in the coal that is used at the Port Augusta power house, and that the effluent from the stacks of that power house produces far more radioactive pollution than would ever escape from a nuclear industry. Perhaps the Hon. Mr Milne was not present at that meeting, because he refers to 'harmless ash'. Perhaps he is not aware of the thousands of deaths from bronchitis and other respiratory ailments that occur when photo-chemical smog blankets cities as a result of coal burning. Perhaps the bereaved next of kin of those who have died do not believe in the 'harmless ash'.

If the Hon. Mr Milne were to go to the library and ask for the penultimate issue of the *Australian Journal of Forensic Science,* he would find a series of articles dealing with the health hazards of the hydrocarbon economy. One of the articles dealt with the effect of carbon dioxide on the world's climate. The article postulated that there was an indeterminate likelihood that the earth's temperature would be raised by one or two degrees in about 60 years. It was indeterminate because there are tidal fluctuations whereby CO^2 is resorbed by the sea, and other variables.

We do not know whether it will happen but, if it does, the predicted melting of polar ice will inundate and put out of action all the world's major ports, and the climatic changes will lay waste the world's grain belts. That is a pretty good way of killing thousands of millions of people, with the Hon. Mr Milne's 'harmless ash'. However, I do not think that the honourable member knows that sort of thing or that he wants to read those journals. He does not even want to read his own Party's policy on the matter: he has it all taped.

I therefore despair of this debate ever getting on to a scientific or economic basis: it is a political debate. It has been debated in a biased and ignorant fashion by many members. That has been said by the press, and it is true. Given the reality that the debate is essentially political, I want to move on to a little bit of the history of the factions that have adopted different positions on the uranium matter.

As honourable members will recall, the bumper stickers, or the propaganda campaign, started shortly after the Australian Labor Party changed its policy on this matter. It is of interest to see which people were writing and speaking in the various political journals at about the time of that policy change and shortly thereafter. I notice that a former Labor Attorney-General (Hon. Peter Duncan) addressed the Friends of the Green Bans at a dinner in Sydney, when he had much to say. I am reading from a reprint in the *Tribune,* where—

The Hon. J. R. Cornwall: On what date?

The Hon. R. J. RITSON: This was early in 1978, about eight months after the change of policy was publicised. There was a six-month to eight-month period in which a whole lot of things happened. The interesting thing is that he takes the line that the worst thing about uranium mining is the connection with capitalism. One can see the criticisms of the Getty oil company and the multi-nationals. This line was pursued by Dr Camilleri, a lecturer in political science at Latrobe University, who was interviewed on 29 March 1978 by a *Tribune* reporter. In this paper, the official paper of the Communist Party of Australia, Dr Camilleri said:

Three main objectives must be realised: to inject political and economic dimensions into the debate.

Forget the science and economics! The report continues:

Uranium mining is a capitalist project based on a particular distribution of power and wealth within and between countries . . . to raise the political stakes to make it politically so costly that the pro-uranium lobby will have to withdraw. They must be confronted by more militant, non-violent civil disobedience.

This man appeared as an unbiased witness before the select committee and pontificated on the international law. That was an example of the Bertell effect, and the silence of the Hon. Dr Cornwall and the non-questioning by him of the man's lack of detachment is an example of what I am saying. These people do not have scientific detachment but remain uncriticised by members opposite. At about that time, other people were saying other things. Another line of thought on this matter has been pursued by a lot of people. I will draw from socialist sources.

The Hon. J. R. Cornwall: Is that with a big 'S', as in the Eastern bloc, or a small 's', as in democratic socialism?

The Hon. R. J. RITSON: That will become very clear. I will quote from the *Moscow News* in a moment. My thoughts were stimulated when I saw a newsletter dated July 1981 and headed 'Once more about nuclear energy' from the Socialist Party of Australia. It is a fairly long document, so I will not read all of it to the Council. However, I will read the following portion:

> The point is that the required increases in electricity production in socialist and capitalist countries will depend largely on coal and nuclear power for the next several decades. Solar energy and fusion power should not be regarded as rival sources, but as additional sources for the next generation, i.e., after prolonged experimental/development work. The question of the peaceful use of nuclear energy is a serious problem for most of the underdeveloped and developing countries. It is their principal hope for further rapid industrial development.

I thought that that was most interesting, because these people were anti-capitalist and have opposed at some time or other the mining of uranium in societies such as ours. I rang a Mr Rooney of this Party and got a letter from him. Most of his letter is cautious about the nuclear industry in Australia because it is in capitalist hands. He is anti-capitalist, but finishes his letter by saying:

> The Socialist Party does not hold the view that there is no basis for the development of nuclear power. The energy requirements of the world point sharply to the need to develop this source. However, there is need to act with great responsibility.

I have heard in this Council reference to the activities of Friends of the Earth. I point out the strong C.P.A. connection of Ali Fricker, the lady who is the chief activist in the Port Pirie Friends of the Earth. For that reason, I was surprised when I turned to the socialist press and discovered an interview conducted in Moscow between the journalist concerned and Professor Burhop. Professor Burhop is obviously no capitalist, because he is a Lenin Peace Prize winner, and I do not think that capitalists are ever likely to win the Lenin Peace Prize. The article, entitled 'Nuclear Energy and Peace', is an interview with Burhop at Moscow's disarmament symposium. In it he promotes a positive programme of control of proliferation of plutonium, which is an aspect I will further discuss in this Council. I was struck by the following paragraph:

> It was here that Professor Burhop addressed his Australian friends when he said that those sincere and devoted people, such as Friends of the Earth, were very wrong in campaigning against the mining of uranium.

He was further quoted during his stay in Moscow by the *Moscow News*, as follows:

> I would say to my Australian friends—those sincere and devoted people—that they are very wrong in campaigning to ban the mining of uranium. Such a campaign makes more certain the extraction of dangerous plutonium, even with present atomic installations.

The Hon. J. R. Cornwall interjecting:

The PRESIDENT: Order! The Hon. Dr Cornwall has had his opportunity.

The Hon. R. J. RITSON: The honourable member would not be attacking me in that way if I were Sister Bertell. Professor Burhop holds a chair at University College, London, and knows what he is talking about. I was interested in the technical side of this article, because it talks about the economic needs of countries for this form of energy. He makes clear that if customer countries can get secure contracts of nuclear fuel, they will, as a matter of economics, continue to buy and will not have any economic stimulus to begin reprocessing.

A reprocessing plant is enormously expensive and requires high technology. No-one who is buying fuel on the basis of price and economics will go into that field unless supplies are insecure or terribly expensive. Professor Burhop is first arguing that countries with quality nuclear fuel should sell it to remove the economic stimulus to go into reprocessing, because it is when uranium is reprocessed and the metal casing of the spent fuel element is opened to get back the uranium that one gets the two other problems: the difficulty of handling the toxic waste and access to plutonium.

Of course, the country that wishes to make bombs will do so, and no-one can stop that. Members opposite have made much of the question that, even if they do, it would be morally undesirable if those weapons were made with our uranium. One of the questions that arises is how we prevent our uranium ore or yellowcake from being used for military purposes. I have heard Professor Ypmar speak on this matter. I think that he has the answer, because he proposes that we do not simply export ore but that we can export the completed manufactured fuel element. We have the scientists, the resources, the technology, and the rare elements to make the special metal casing and we could export completely manufactured fuel elements. If we were to do so, then the economic attractiveness of using such materials for the wrong purpose disappears completely, because the uranium concentration in those fuel elements is only about 3 per cent (it has been upgraded to about 3 per cent), and it has to be over 90 per cent for nuclear weapons.

Who will pay the high price for the fully manufactured fuel element just to get the uranium from it so that it can be used in their own enrichment plant? It would be cheaper for them to start with sea water and to forget about our uranium. If we were to export the fully manufactured fuel element not only would that be good for Australia in economic terms, but also it would make uranium exported in that form far less desirable a source for a country that wished to purchase uranium under one guise and to use it for another purpose.

The Hon. J. R. Cornwall: What do you think about the idea of bringing back the waste?

The Hon. R. J. RITSON: The waste question becomes more acute when countries are forced into reprocessing it. It is not so difficult to handle the spent fuel rods until one cuts them open, dissolves them in acid and starts pumping the solution around plants. It is there that the hazard multiplies. If a country is to make its nuclear fuel available to those countries that can, will, and are generating nuclear power, if we make those fuel rods available, the stimulus for reprocessing is less. Of course, it is still possible for a country with its own reprocessing facilities to purchase a fuel element and to divert products of that fuel element for military use.

Much has been made of the value of safeguard agreements as a form of international treaty to prevent that. However, Professor Burhop pointed out that the type of plutonium formed is a transient element; the fissile isotope of plutonium is a transient unstable element which appears in a fuel rod during the first couple of months of the life of that reactor fuel. Thereafter it degrades into other forms of plutonium. After a period of about two years the contents of that rod contain a negligible amount of weapons—grade plutonium. In fact, the reactors used in military plants to make plutonium for nuclear weapons use the low burn-up technique. They put the rods in for a month or two and pull them out at the stage where they have their maximum yield of fissile plutonium.

Professor Burhop was arguing for the technique of leaving those fuel rods in the reactor for two years. He points out that some inefficiencies arise towards the end of the life of those fuel rods. There may be a cost penalty of up to 10 per cent in the cost of electricity in the latter part of the life of those rods. However, if they are left there and if one wants to reprocess, one can get uranium back for reconcen-

tration and still have the problem of toxic waste. However, we would not have the threat to peace through a lot of stray plutonium. We ought to consider combining the two principles so that we could offer a customer country fully manufactured fuel rods which are leased and not sold. The consequence of that is that we are left unilaterally in charge of what happens to that uranium. If they use the low-burn techniques they are going to want new fuel elements every couple of months. If they are reprocessing them for plutonium they will not be able to give us back the spent ones. If we were to manufacture the fuel elements ourselves, and lease them, we could replace them on a one-to-one basis at such intervals that we could know that they were being used for peaceful purposes. I submit that that would be an even better control than the international safeguard agreements which, after all, are no more or less enforceable than any treaty between foreign heads of State.

The Hon. J. R. Cornwall: Would you bring them back and reprocess them in Australia?

The Hon. R. J. RITSON: I suggest we bring them back and not reprocess them but continue to sell and manufacture them in the hope that we may never have to reprocess them; other forms of energy may develop. They could be reprocessed, if necessary, later on.

The Hon. J. R. Cornwall: What will you do with the waste?

The Hon. R. J. RITSON: What is being done in the United States with their non-processed rods?

The Hon. J. R. Cornwall interjecting:

The Hon. R. J. RITSON: At least the rods are there and we know they are not being used elsewhere for non-peaceful purposes. It is a reasonable proposal. We can manufacture the completed fuel elements, we can lease them to customer countries and replace them on a one-to-one basis which leaves us in charge of what is happening to them. We can be assured that they are not being used for non-peaceful purposes. I find that I am in some agreement with Professor Burhop.

The Hon. J. R. Cornwall: You have still not disposed of the highly radioactive products. They have to come back to Australia.

The Hon. R. J. RITSON: Yes. The disposal problem arises. We must avoid opening Pandora's box. They are not stored irretrievably. In a century's time when the world may be in desperate energy straits they could be processed. In the United States of America they like to know where the rods are so they can be reprocessed. No-one is denying that ultimately, whether it is in 20 years time or a century later, decisions will have to be made about the spent elements—whether to reprocess them or whatever. The overwhelming scientific evidence is that the Synroc process will deal with that. The reason there has not been permanent irretrievable waste disposal so far is that the accumulation of stuff that is ready for disposal is only just now available. In previous years quantities were too small.

The Hon. J. R. Cornwall: The weapons programme for the last 40 years produced enormous amounts of high-level waste which is still lying about.

The Hon. R. J. RITSON: It is a matter of great regret to me that the issues involving uranium mining have been so clouded by the scare tactics and slogans which I described earlier. It is a matter of even greater regret to me that the Australian Democrats have taken the stance that they have so absolutely. Its member in this Chamber was even more strict and absolute than his Party policy appeared to require. The overwhelming weight of scientific evidence is indeed that nuclear energy is safer than energy produced by burning hydro-carbons.

The Hon. N. K. Foster interjecting:

The PRESIDENT: Order!

The Hon. R. J. RITSON: There is no doubt that the overwhelming weight of evidence favours the mining of uranium and the peaceful use of nuclear energy. There is no doubt that most of the people who oppose it have done so for political reasons and have done so by using propoganda rather than reasoned argument. I can only beg and urge them, for the sake of workers in South Australia, for the sake of our State, for the sake of our nation, for the sake of the third world and for the sake of world peace to change their minds.

The Hon. R. C. DeGARIS: As the Hon. Dr Cornwall indicated in his second reading speech that the Australian Labor Party was prepared to pass the second reading of the Bill, I would suggest to the Council that the less said on the broad aspects of the nuclear fuel cycle at this stage the better for all concerned. Although the Hon. Dr Cornwall's speech was punctuated by his usual outbursts that occur whenever he addresses the Council on a controversial matter, I would commend him for his contribution to the debate. We all know his views on the nuclear fuel cycle. We all know that his views stem from a deep conviction which he holds quite genuinely, and the issue for him is a matter of deep emotion.

However, the attitude of the Hon. Dr Cornwall, and presumably the A.L.P., is not one of outright opposition to the indenture Bill, but one of acceptance with modifications. Before I deal with those particular modifications, I will put a few points to the Chamber that I believe are pertinent at the political level. First, the development of Roxby Downs was a clear mandate given to the Government at the last election. In 1979 the vote for the Liberal Party on a two-Party preferred basis was the highest ever recorded for a political Party in South Australia since the advent of compulsory voting. It is interesting to note that the vote for the Liberal Party in the Legislative Council was the highest ever recorded, higher than that in the House of Assembly. This point should not be overlooked. If one had to choose one point in the reasons for that record vote, then one would have to agree that the important point was the Government's promises to push on with developmental projects, including Roxby Downs.

The question of mandate, so often debated in this Chamber during the past 15 years, is clear and uncomplicated. The A.L.P., when in Government, constantly used the argument that it had a mandate for legislation when there was an argument in the Chamber on its Bills. On financial and developmental matters the Chamber always respected such a mandate. Clearly, the Government has a mandate to ensure the development of Roxby Downs. If one takes the attitude that the A.L.P. expressed when it was in Government, then that mandate should be respected.

It is fair to say, also, that the Premier at that time, Mr Don Dunstan, recognised the political significance of this project to South Australia and he possibly wrecked his political career in trying to achieve changes in the A.L.P. attitudes to that development. The attitude adopted in this Chamber, as outlined by the Hon. Dr Cornwall, I think goes some way to recognising the question of a fair mandate. If one places any credence on the pollsters, the A.L.P. is running in public acceptance at the moment at over 50 per cent.

The Hon. C. J. Sumner: It is more than that.

The Hon. R. C. DeGARIS: I would discount it a little, as I do in all the polls that are published.

The Hon. C. J. Sumner: The Labor polls showed 60 per cent.

The Hon. R. C. DeGARIS: The exact figures do not matter.

The Hon. C. J. Sumner: But that is what the Morgan Gallup poll showed when it was published three weeks ago—60 per cent.

The Hon. R. C. DeGARIS: Whatever the figures are, they are irrelevant to the point I am making. The one issue that could turn public acceptance around is the question of the development of Roxby Downs, irrespective of the poll figure. It did so in 1979, and it is probable that it will do so again. I would like to look quickly at a couple of the possibilities.

If the indenture Bill does not pass, the A.L.P. runs the risk of losing the next election on the issue, as it lost the 1979 election on the question of the development of these mining ventures in South Australia. If the indenture Bill does not pass and the A.L.P. wins the next election, it is still faced with the problem of achieving that development because, if it does not, then the political problems facing the A.L.P. in the 1985 election will be more than critical for the A.L.P.

The Hon. D. H. Laidlaw: It will be overwhelming.

The Hon. R. C. DeGARIS: Absolutely. If the Bill passes with or without amendments, the A.L.P.'s position on the question of mandate alone leaves it with its political position intact. The position in which the A.L.P. finds itself is not an easy one and I am quite sure that those in the A.L.P. who think deeply and clearly on such issues would understand the point I am making. It would be to the advantage of the A.L.P. politically to have the Roxby Downs indenture Bill operating now, rather than run the political risk of the Bill's defeat or its non-passage. The A.L.P. lead speaker, the Hon. Dr Cornwall, indicated that the A.L.P. would be seeking several changes to the Bill.

As the Labor Party indicated that it will vote for the second reading, I think that the debate should now centre on the points indicated by the Hon. Dr Cornwall as the points of importance to the A.L.P. I will deal with the particular points that the Hon. Dr Cornwall made during his second reading speech. The first point was that the power to give approval to proceed with mining be reserved for the Government of the day. This, with respect, is a peculiar provision, which, if accepted by this Chamber, would be tantamount to defeating the Bill. Perhaps I could explain the point by examining other indenture Bills passed by the Parliament. Regarding APCEL in the South-East, suppose that in that indenture all the agreements were entered into, and after all the expenditure undertaken by the company (the ordering of equipment and the building of facilities) some Government at some future time reserved the right to say whether the company could produce paper or not. We could also say that some Government of the future could then decide whether or not, when the factory was built, it would supply timber for the making of paper. One can see that that would be an absolutely ridiculous position. No company could accept an indenture on those conditions.

Let us apply the same reasoning to the B.H.P. indenture at Whyalla. Let us suppose that, after all the expenditures, the Government reserved the right to say whether or not the company could produce steel, or whether or not the company could mine iron at Iron Knob. One can see that on that basis it would not be possible for any company to proceed. In relation to the first point, if this amendment is persisted with by the A.L.P., then the A.L.P. should oppose the Bill at the second reading stage because that is exactly what the amendment does: it defeats the indenture.

The second point that the Hon. Dr Cornwall made was that the joint venturers be granted a 50-year lease. Once again, I do not see the reason for such an amendment. This second amendment almost comes down to the same argument as that used in the first amendment. I will listen with interest in the Committee stage to the rationale for such a proposal. I remind the Chamber that what we are doing here is dealing with a matter in which vast sums of money need to be invested. Unless there is security of tenure the money required in this development will not be available.

The third point made by the Hon. Dr Cornwall was that the operators be obliged to observe radiological safeguards imposed under any other law of the State. I admit that this suggestion has some merit although, from the venturers' point of view, they would need an assurance that impossible standards well in advance of existing national and international standards would not be set. Nevertheless, it is an amendment that has some appeal because, after all, this is a sovereign Parliament. If Parliament decides at some stage in the future that there should be tighter regulations on any particular matter, it should not be tied to conditions that exist elsewhere. This is the Parliament of this particular State and it has the right to determine those regulations.

The Hon. J. C. Burdett: And from time to time.

The Hon. R. C. DeGARIS: Yes, from time to time. In regard to that amendment proposed by the Hon. Dr Cornwall, there is some merit in what he says from this Parliament's point of view in establishing those particular standards. I point out that from the venturers' point of view it is necessary that they know somewhere along the line exactly what those standards will be. One of the things worrying the venturers is that the standards may be so tight and difficult as to bring the project to a halt.

The Hon. J. R. Cornwall: We outlined them during debate on the Radiation Protection and Control Bill.

The Hon. R. C. DeGARIS: I did not really understand what the Opposition was trying to say during that debate. There is some merit in the Hon. Dr Cornwall's proposal. The Hon. Dr Cornwall's fourth proposal is that special workers compensation legislation should be enacted to cover worker exposure to radiation. Once again, this provision has some merit, as other countries have adopted a similar provision in industries associated with exposure to radiation. I do not know whether the Hon. Dr Cornwall thinks it is reasonable to have special workers compensation provisions in an indenture Bill affecting one particular project. Perhaps he is considering a provision in the indenture which could be repealed at some later stage. Special provisions in relation to workers compensation for those working with or near radioactive substances should apply in the workers compensation legislation.

The Hon. J. R. Cornwall: My amendment clearly contemplates that.

The Hon. R. C. DeGARIS: I have not seen the amendment. Anyway, I will not refer to it because we have not reached that stage. I am dealing with the Hon. Dr Cornwall's second reading speech. Workers compensation should apply to all operations, whether it be Honeymoon, Beverley, Amdel or elsewhere. I believe the Hon. Dr Cornwall should have negotiations with the Government to determine whether it is prepared to examine this question. This question has been examined, and similar legislation exists in Britain, France and West Germany.

The Hon. Dr Cornwall's fifth proposal states that proposals for the disposal of wastes from mining be approved by the Minister of Health. Once again, there is some merit in that suggestion, except that the Minister's powers should also be restricted to insisting on nationally accepted or internationally accepted standards. If the Minister of Health is to have any power in relation to the disposal of wastes it should be by regulation. I do not know what the Hon. Mr Sumner thinks about the Hon. Dr Cornwall's suggestion that the Minister of Health must give approval not on any basis of law, but as the Minister thinks fit. That is the suggestion made by the Hon. Dr Cornwall. If there is to be any control by the Minister of Health in relation to the question of waste disposal it should be through some statutory or regulatory

power and not as the Hon. Dr Cornwall suggested, with the Minister of Health virtually having dictatorial power. I believe that that is an unacceptable position of Ministerial veto. I suggest that the Minister of Health should have regulation-making powers in relation to the disposal of waste; we should not follow the suggestion put forward by the Hon. Dr Cornwall in his second reading speech.

The Hon. Dr Cornwall's sixth proposal provides that no special mining lease should be granted unless there has been a comprehensive inquiry into the probable environmental effects of the project. That appears to fall into a strange category. Is he suggesting that the Department of Environment and Planning will not be involved in assessing the environmental aspects of a mining lease? Nevertheless, the concern expressed in this proposal is a concern of us all. Environmental protection is a vital consideration. I point out that there is existing legislation in relation to this matter. Indeed, I think the Planning Bill—

The Hon. J. R. Cornwall: The best legislation is the Commonwealth environmental protection legislation. If that were invoked it would be splendid.

The Hon. R. C. DeGARIS: What the Hon. Dr Cornwall seeks is already capable of being undertaken. The Planning Bill provides very wide powers in relation to environmental impact statements for mining ventures. The Government is as concerned as the Opposition is in relation to environmental impact. I am quite certain that this particular point is capable of negotiation. I do not think we will achieve any outcome by having an inquiry into environmental impact studies.

The Hon. J. R. Cornwall: The uranium inquiry worked very well.

The Hon. R. C. DeGARIS: That had very little to do with impact on the environment. Finally, the Hon. Dr Cornwall said that, prior to the start of mining, existing leases should be subject to periodic review by the Government, in association with the venturers. Once again, this Bill provides for review, although the Hon. Dr Cornwall's suggestion goes further than the review process outlined in the Bill. Some of the A.L.P.'s suggestions are capable of negotiation, have merit and deserve consideration by the Council; other suggestions appear to be designed to frustrate the intention of the indenture, as I pointed out when discussing the Hon. Dr Cornwall's first proposal. We are now down to seven points of discussion and I suggest that the Council concentrate on those areas of contention rather than bogging the debate down in lengthy discourses on points that are no longer relevant. I support the Bill.

The Hon. M. B. DAWKINS: I rise to support the Bill and the indenture which it seeks to effect. I do not intend to speak at length, although I have more than enough material to do so. I agree with the Hon. Mr DeGaris that the Government has a clear mandate for this legislation. That mandate should be acknowledged. I believe that members of the select committee have spoken, or will do so, and probably should speak at some length on this matter and, therefore, there is no need for needless repetition by other members. I am completely convinced that enough safeguards exist now to enable this Parliament to endorse wholeheartedly the Roxby Downs (Indenture Ratification) Bill.

I am sure that the Labor Party is being completely cynical and hypocritical in opposing the measure, because it was that Party, when in Government, which in effect started the project. When this was mentioned in another place, the member for Mitchell, who led for the Labor Party in that House, did not attempt to deny it; he merely suggested that this Government was trying to claim all the credit, which it has never attempted to do. It has, however, given the project every encouragement. However, there is no doubt that the A.L.P. encouraged uranium exploration during its period in Government; there was an exchange of letters, one of which was signed by Des Corcoran, the former Premier and a gentleman for whom I have great regard and who came into this Parliament on the same day as I did. I have known him ever since as a friend, even though we come from different sides of politics.

That letter signed by Mr Corcoran made quite clear that the A.L.P., as the Government of the day, envisaged an indenture agreement with the company, which was given every encouragement to proceed by that Government. As I have said, this Government has not sought to claim initiation of this project. The Labor Party commenced the whole exercise with regard to uranium exploration and set up the Uranium Enrichment Committee in 1973. So much for the 'genuineness' of the present Opposition and its opposition to the present Bill. The then Government subsequently granted the lease to Western Mining, and I will never be convinced that it did not know what it was doing or what was intended. Mr Hudson, who was then Minister of Mines and Energy, and a gentleman with whom I certainly do not always agree but who is a man of considerable capability, said the following in the House of Assembly on 6 February 1979:

> Roxby Downs cannot proceed on copper alone, with uranium being stockpiled, and for Roxby Downs to proceed would require a huge amount of front-end money, probably about $1 000 000 000. Without a large measure of support, not just in this Parliament but in the South Australian community as a whole, no company will be able to take the risks associated with the expenditure of such a huge sum of money.

It was also Mr Hudson who failed to give me an answer (although I do not blame him for that, because he was in a fairly embarrassing position) when I sought clarification of his attitude to the then British Labour Government's Minister of Mines and Energy who was in Australia at the time and who was, of course, in line with his Government, in favour of the use of uranium for peaceful purposes.

Nuclear energy is no new thing: it has been with us for 30 years and has been known much earlier than that. It has been used in Britain for a long time, and France must rely on nuclear sources for at least 50 per cent of its generated power. This indenture Bill allows the present joint venturers of Roxby Downs to proceed to their next step of committing another $50 000 000 of their funds.

It is even more important that the indenture gives credibility to the future of the project and will allow the joint partners to seek funding for the project and, what is more, long-term contracts for the sale of copper, gold and silver, as well as uranium. At this point, it is worthy of note that the uranium component of the ore body is only about .05 per cent and, as I believe that a good uranium mine constitutes about 10 times that amount (that is, .5 per cent), the amount of uranium is therefore quite minute but is still significant when it can be mined with the other minerals to which I have referred and some of which are available in much larger quantities.

I refer, for example, to copper, at 3 per cent, and to iron ore at not less than 52 per cent, although no-one would wish to mine iron ore at the depth of 300 metres if other minerals were not present, especially having regard to the amount of iron ore that is already available in South Australia. Even though the uranium is a very small proportion of the ore body, the remaining minerals that have been previously mentioned, plus the uranium, constitute a significant source of wealth for this State, especially having regard to the size and area of the deposit.

If, as has been suggested, this project can support a town of 9 000 people, it will also have beneficial effects for the rest of the State, especially for the cities of the Iron Triangle, namely, Whyalla, Port Pirie and Port Augusta, all of which

are anxiously seeking this development for South Australia, because there must be some spin-off to those cities in particular as well as to the State as a whole.

Well over a year ago, I had the privilege, with a number of my colleagues from both sides of the House, of visiting Olympic Dam at the company's invitation. I was pleased to make that trip with several of my colleagues, and I was convinced of the viability of the new project. I am sure that it would be completely irresponsible and quite stupid for us to throw away an opportunity such as this. As I have said previously, the Australian Labor Party started the project, from a Government angle, when it was in office, and I believe that it took a responsible attitude when it did so. I believe (and I do not say this in any nasty fashion) that it would be completely hypocritical for the Opposition to continue to oppose it now. It would be quite reminiscent of the Labor Party's duplicity over the Chowilla dam issue in 1970. Large numbers (hundreds in fact) of nuclear plants exist or are under construction throughout the world. We cannot do without them, and they cannot be closed down. The world is short of power.

I referred earlier to Britain and its considerable use of nuclear power and its Governments (I use the plural term: the former Labour Government and the present Conservative Government) commitment to adequate power resources, including the peaceful use of uranium. When I was recently in the old country, I saw one non-nuclear plant using the huge amount of 18 000 tons of coal a day. Many nuclear plants use the merest fraction of this amount to produce similar amounts of power.

The British Health and Safety Commission has suggested that, if all electricity used in that country was generated by nuclear means, fewer workers would be likely to die in accidents. That is a quotation from the *Atom News*. The Electrical Power Engineer Association has said that the risk of a worker being hurt in a nuclear power station is less than the risks accepted by workers in many other industries, and lower than the risks accepted by many ordinary people in their normal, everyday lives.

This Government has introduced legislation into this Parliament that is, in my view, the most comprehensive legislation in respect of safety and radiation protection of any law relating to protection yet brought down in this country. Mining at Roxby Downs can be undertaken with quite as much safety as many other mining ventures and probably with much more safety than that in some hazardous occupations.

The radiation Bill, subject to some amendments, was supported by both the A.L.P. and the Australian Democrats, which I believe indicates their approval of a Bill based on the principles of the International Commission on Radiological Protection. I believe that this Government is doing all in its power to provide for the responsible and peaceful use of uranium, which will be mined at Roxby Downs, plus every reasonable protection for the health of the miners themselves.

Furthermore, I believe it should be stated that, with the large number of nuclear power stations which are operating or are about to operate and to which I have previously referred, they will need more uranium. If they do not get it in sufficient quantities, the trend will be for change to the fast breeder reactor, the very thing that the opponents of nuclear power seek to avoid. To elaborate on that assertion, I wish to emphasise that the number of nuclear power stations now in operation or under construction throughout the world is no less than 576. All these power stations need uranium. If many of these installations (a lot in various countries throughout the world) are denied adequate quantities of the raw material that they need (and the need will inevitably increase), they will be forced to proceed to the use of the more advanced fast breeder reactors, involving the use of plutonium, which presents greater risks and which is the material used for the manufacture of atomic weapons. By denying these countries the availability of the raw material that they need, the opponents of nuclear energy could, as I have previously indicated, precipitate the very dangers that they wish to avoid.

I do not wish to repeat, but want merely to underline, the comments which were made by Sir Mark Oliphant and which appeared in the *News* last Friday. When a scientist of the standing of Sir Mark (a man who has always been a supporter of peace and of the use of peaceful means) comes out so forthrightly in favour of the peaceful use of uranium, it is high time for the public and the people of South Australia in particular to sit up and take due notice. I wish to quote from Parliamentary Paper 154, which is the report of the Legislative Council Select Committee on Uranium Resources. On page 18 thereof, under the heading 'The Commonwealth Government's response to the Ranger inquiry', paragraph (8) states:

> On Australia's international obligations, the inquiry concluded:
>
> A total refusal to supply would place Australia in clear breach of Article IV of the nuclear non-proliferation treaty and could adversely affect its relation to countries which are parties to the non-proliferation treaty.
>
> Article IV of the treaty obliges Australia to co-operate in the production and usage of nuclear energy for peacful purposes. The export by Australia of uranium under stringent safeguards would give effect to our obligations under Articles III and IV of the treaty.

I emphasise the words 'peaceful purposes'. The treaty itself suggests that Australia should meet its obligations, on a moral basis, to those countries in need of this source of power, but under the correct conditions. The Minister has given an assurance that that would be done in this case.

I know that you, Mr President, will tell me that I should not discuss at the second reading stage the amendments which have been foreshadowed by the Opposition in this Council, which were also promoted in the debate in another place and which are now on file in this Council. Suffice it to say, some of those amendments are designed to put a bomb under the Bill to ensure that the result of the legislation is unacceptable to the joint venturers. They do nothing less than negate for all purposes the provisions of the indenture. I would agree with some of the comments of the Hon. Mr DeGaris with regard to the amendments suggested in this place last week.

Finally, I would like to suggest to the Hon. Mr Milne that, in my view, he has two alternatives. First, the honourable member is a courteous gentleman who has sometimes been treated shockingly by honourable members opposite. I have a personal regard for him but not for his politics, which are unpredictable. They are not by any means the 'balance of reason' that he would like to think. His alternative is either to vote blindly for a Party policy which in my view is naive and irresponsible, or do the statesman-like thing and vote for the benefit of South Australia.

If indeed the result of this Bill should rest on his vote he shoulders a frightening responsibility towards the development of this State and towards the benefit of the people of South Australia. I venture to suggest, not unkindly, that in the event of his vote being vital, he will have the choice of being remembered either as the elderly confused gentleman who put South Australia back for 25 years in its development or as a man who did the statesman-like thing in spite of Party politics. However, I hope it does not come to that. This Bill should be supported on all sides for the benefit of the people of South Australia and, for the benefit of the Hon. Mr Blevins, who has had a little chuckle, for the benefit of the people of Whyalla, and for the benefit of South Australia. I believe that the Bill should be supported

on all sides. I urge all honourable members to cast Party politics aside and support the Bill.

The Hon. D. H. LAIDLAW: I believe strongly that, if this Bill fails to pass, the credibility of this State in the eyes of the mining and manufacturing industries in other States and overseas will suffer severely. Credibility is an elusive thing and once lost can take a lifetime to regain. I say this because during the later years of the previous Labor Government many mining companies were permitted and, I suggest, encouraged to search for uranium within the State. I knew several of the executives involved at the time and I remember what they told me. These companies spent millions of dollars in the belief that, if they found a commercial deposit, the Government would have allowed them to mine and treat the uranium. Why would they bother to search for uranium if they felt that the Government might preclude mining *ad infinitum*?

The Hon. C. J. Sumner: Who's talking about *ad infinitum*?

The Hon. D. H. LAIDLAW: How do they know that you do not mean that, because you are not willing to say that you are not. No-one knows. Typical of the attitude of the Labor Government at that time is a reply given by the Minister of Mines and Energy, the Hon. Hugh Hudson, on 1 August 1978, to a Question on Notice in another place. This was a prepared reply, not just an answer given off the cuff. Mr Hudson stated:

> Exploration licences were granted for exploration of all minerals (excluding extractive and precious stones). Companies which had a particular declared interest in uranium search and which had interests in current exploration licences included Esso Exploration, Oilmin, Transoil, Mines Administration, Titan Exploration Drilling, Carpentaria Exploration, Dampier Mining, CSR, Marathon Petroleum, Uranerz, Nissho-Iwai, Delhi International, Petromin, Western Nuclear, Sedimentary Uranium and BP Minerals.

Mr Hudson listed these 16 companies, which were exploring for uranium in this State at a time when there was no great activity overall. No-one can convince me that they were not encouraged to do so.

In his reply, Mr Hudson added that significant deposits of uranium had been discovered in the Lake Frome area at Honeymoon, East Kalkaroo, Gould's Dam and Beverley, on the Stuart Shelf at Roxby Downs, in the Flinders Ranges at Mount Painter and in the Olary Province at Crocker's Well. The economic feasibility of recovery of all these deposits remained to be determined.

The policy of the Labor Government towards mining had not changed, he said, but the Government was concerned to establish that mineral resources of this State were developed in a manner that would bring the greatest benefits to the people of the State, including prospective royalties. It also had the responsibility to ensure that mining, if carried out, took due account of human risks and environmental impact associated with such developments. The Government continued to maintain the Uranium Enrichment Committee.

Anyone reading this statement by Mr Hudson could be excused for thinking that the best way of achieving the greatest benefits for the people of South Australia—the professed objective of the Labor Government—would be to press on with exploration, find a commercial deposit of uranium and then process and sell it after paying an appropriate royalty.

During the past decade or so, mineral production in this State increased only marginally in real terms. In 1969, the ex-mine value of minerals produced in Australia was $1 134 000 000 and South Australia held a 7 per cent share of this. For the year ended 30 June 1981, the value of mineral production had risen to $8 094 000 000 and, of this, South Australia produced only $226 000 000 worth, or 2.8 per cent of the national total. Within the State, oil and gas provided $85 000 000, opals $35 000 000, stone and sand $34 000 000, coal $23 600 000 and iron ore $21 000 000.

The drop from 7 per cent share to 2.8 per cent within 12 years is significant when we recall that the money needed to develop the State, and in particular the metropolitan area of Adelaide, came principally from profits earned from mineral and primary production.

Since the Liberal Government came to power, there has been an upsurge in mineral exploration. As at 30 June 1980 there were 211 current exploration licences covering 224 000 square kilometres, and during the year $10 460 000 was spent in these areas by the explorers. Twelve months later there were 369 current exploration licences covering 420 000 square kilometres, and the amount spent annually had risen to $31 300 000.

South Australia has, we know, had the highest rate of unemployment, largely because of the down-turn in the Australian car and domestic appliance industries, and the increasing cost of interstate freight to the main markets. Recently, because of continuing efforts by the Government through its Establishments Payments Scheme and guarantees to secondary industry, and more recently the tourist industry, the level of employment has improved. Between 1979 and December 1981 the work force in the private sector of South Australia increased from 400 000 to 426 000, whilst in the public sector it decreased from 102 000 to 99 000, showing a net increase of 23 000.

The Hon. J. R. Cornwall: A lot more people came into the market.

The Hon. D. H. LAIDLAW: That is right.

The Hon. J. R. Cornwall: So, our net unemployment is still very high.

The Hon. D. H. LAIDLAW: Yes, but more jobs were created; we still found 23 000 more jobs. During this period, the population in this State remained fairly static. The figures are promising but we must grasp every opportunity to create more jobs now and in the future.

Advocates have claimed that thousands of new jobs will be created when Roxby Downs advances from the exploratory to the development stage. I am not able to estimate how many jobs will be created and I do not think anybody else is able to do so. Mining generally is capital intensive, but a lot of jobs are generated in service industries associated with mining. I recall that, during the development of Hammersley, Mount Newman, Mount Goldsworthy and Robe River in the iron ore boom in the 1960s, only a few thousand construction workers were employed in the Pilbara. However, a euphoria was created in Western Australia and the Golden West became a byword. In 1961, Perth had a population of 424 000, but 10 years later it had increased by 50 per cent to 641 000. I went to Western Australia frequently during this period and was astonished by the confidence generated by the mining projects in the Pilbara and elsewhere.

The Hon. J. R. Cornwall: It has all evaporated at the moment.

The Hon. D. H. LAIDLAW: Yes, but Perth is still double the size it was 20 years ago. For example, during that period about 100 insurance companies or branches set up or expanded in new offices in St Georges Terrace. I do not claim that the development of Roxby Downs would have the same effect upon the prosperity of Adelaide and the Iron Triangle as did the development of the Pilbara upon Perth, but it would certainly have a significant impact.

The Hon. Barbara Wiese said in her speech last Thursday that it is premature to be debating this indenture Bill, that we are wasting our time and should be concentrating on more important things. I find that statement unusual, to say the least. I suggest that she has little knowledge of the requirements of lending institutions which provide the long-term finance for major mineral developments. Lenders,

especially overseas bodies, seem to believe that, if the rights and obligations of a mineral developer are incorporated into a Statute, there is less likelihood that the ground rules will be changed during the project than if the rights and obligations are set out in an ordinary legal document. That is why the Government introduced the Stony Point Indenture Bill to enable the Cooper Basin consortium to borrow more easily internationally, and that is why we are debating the Roxby Downs Bill today.

The Hon. J. R. Cornwall: Stony Point is a here-and-now project.

The Hon. D. H. LAIDLAW: So can this be if copper prices go up as I expect they will next year. I am somewhat sceptical about indenture Acts because Governments the world over are fickle when it comes to sticking to the rules. There are examples in this country of indenture Acts being changed to the disadvantage of the producer. I understand, however, that the attitude in this Council in the past has been that an indenture Act should be altered only if both parties agree. Varying degrees of pressure can be placed on the producer to gain his acceptance.

The Hon. John Cornwall in his speech last Wednesday justified the deferral of this indenture agreement because of the uncertainty of the uranium market and the very low metal prices. He said that the price of copper is $1 328 per tonne and there is no prospect of its rising. As a result, no-one in the mining industry expected the joint venturers to commit themselves to developing the mine before the end of this decade.

The Hon. J. R. Cornwall: No immediate prospect.

The Hon. D. H. LAIDLAW: I do not know where the Hon. John Cornwall got his information about copper prices. I am associated with Adelaide and Wallaroo Fertilizers, which owns a copper mine at Burra, and we are advised from overseas that copper prices are likely to rise by the beginning of next year.

Western Mining and BP are not juveniles that have to be protected from financial folly by this paternal Council. If the project is seen to be uneconomical they surely would defer it, just as BP announced recently that it will close the Clutha coal mines in New South Wales, and just as Esso has withdrawn from its participation in the Yeelirrie uranium project in Western Australia and has reduced drastically its commitment to the Rundle shale oil deposits in Queensland. This Council should provide the means so that, in the words of the Hon. Hugh Hudson in another place in 1978, the people of this State can achieve the greatest benefit, including prospective royalties. We should pass this indenture Bill and let Western Mining and BP worry whether they will make a profit or a loss.

Advocates for Roxby Downs argue that if we do not mine uranium someone else will. They point out that the 760 civilian nuclear reactors in use or about to be commissioned in the world cost hundreds of billions of dollars to build and the proprietors will get supplies of fuel from somewhere, whether or not we supply it. The Hon. John Cornwall claimed in his speech that these advocates have adopted the morality of the poppy grower who supplies opium to the heroin trader. Their position is, 'If we don't sell someone else will.'

I suggest that there is a distinct difference between facilitating production of heroin, which is condemned worldwide as a social evil, and the production of yellow-cake or enriched uranium to supply countries like Japan, West Germany and France or many under-developed countries with little or no oil, gas or coal supplies of their own. Mr Mick Young is reported to have told the State Labor Convention last weekend that he had attended recently an international conference and had listened to delegates from 105 countries speak about energy. No-one from any country or political persuasion had opposed nuclear energy or mentioned the dangers of it. Mr Young said, 'We have got to understand the plight of the underdeveloped world and what they are going to do about energy, and lift their standard of living.'

I recognise that there are many supporters within the Liberal, Labor or Democrat Parties who genuinely are concerned about processing and selling uranium. Scientists around the world are aware of the safety precautions that must be taken when operating nuclear reactors and of the need to develop safe means of disposing of nuclear waste. Because of the public concern, large funds are available for research into safe disposal of nuclear waste.

The Hon. C. J. Sumner: What about nuclear war?

The Hon. D. H. LAIDLAW: I will come to that in a moment. I feel reasonably sure that a satisfactory solution will be found, whether by the vitrification process, the Synroc process being developed at the A.N.U., or some other process. There are other hazards which concern me just as much.

The Hon. Chris Sumner has made mention and warned of the dangers of a nuclear holocaust. I recall that in my youth, before the start of the Second World War, we were warned that poison gas and germ spreading in reservoirs would be used in the next world war. When we joined the forces during the war we were given gas masks and, as part of our training, we were made to walk into gas-filled rooms and take off our masks. Fortunately, the gas was not too severe. However, neither poison gas nor germs were used during the Second World War, nor do I think that nuclear weapons will be used in any future war. The threat of retaliation would be too devastating with power hungry leaders like Colonel Gadafi and General Galtieri. For the same reason that poison gas or germs were not used in the last war (and I was involved in a unit which was very much concerned with trying to find out whether germ warfare would be used), I believe that nuclear energy will not be used if there is another war.

Every generation is faced with inventions which offer benefits to society and produce hazards of unknown severity. Take, for instance, the internal combustion engine which made possible the motor car and which has killed hundreds of thousands of people on the roads. Regarding internal combustion engines, the U.S. Congressional Record says:

> A new source of power which burns a distillate of kerosene called gasoline has been produced by a Boston engineer. Instead of burning the fuel under a boiler, it is exploded into a cylinder. This so-called internal combustion engine may be used under certain conditions to supplement steam engines. Experiments are under way to use an engine to propel a vehicle.
>
> This discovery begins a new era in the history of civilisation. Never in history has society been confronted with a power so full of potential danger and at the same time so full of promise for the future of man and for the peace of the world.
>
> The dangers are obvious. Stores of gasoline in the hands of people interested primarily in profit would constitute a fire and explosion hazard of the first rank. The menace to our people of vehicles of this type hurtling through our streets and along our roads and poisoning the atmosphere would call for prompt legislative action. The discovery with which we are dealing involves forces of a nature too dangerous to fit into any of our usual concepts.

That article was written in 1875. The Hon. Dr Cornwall and his friends were not around at that time. The motor vehicle was developed but it has killed hundreds of thousands of people on the roads. It has polluted the atmosphere but, despite the drawbacks, has done more to enhance the level of enjoyment of living of ordinary families during this century than has anything else. In my opinion, the benefits of the motor vehicle far outweigh its disadvantages. I feel the same way about continuing the development of nuclear energy.

I have examined the seven amendments to be moved by the Hon. Dr Cornwall. The Hon. Mr DeGaris has dealt with these at some length and generally I concur with what

he has said. The amendments dealing with radiological safeguards, special workers compensation cover and disposal of wastes and tailings are not, in my mind objectionable. However, Western Mining and BP said subsequently in a telex to the Deputy Premier that, collectively, the amendments remove the security of tenure and certainty of regime (whatever that means) which form the foundations of the indenture agreement and are totally unacceptable.

The Hon. Dr Cornwall last Wednesday spoilt what I thought was otherwise a well prepared speech by alleging that, if this Bill does not pass in its amended form, it will be due to the bloody-minded political cynicism of the Tonkin Government. What is the point, may I ask, of passing an indenture Bill in an amended form which is totally unacceptable to one of the two parties, namely, the producer? I support the second reading.

The Hon. G. L. BRUCE secured the adjournment of the debate.

[Sitting suspended from 5.55 to 7.45 p.m.]

LOTTERY AND GAMING ACT AMENDMENT BILL

Received from the House of Assembly and read a first time.

The Hon. K. T. GRIFFIN (Attorney-General): I move:

That this Bill be now read a second time.

It is designed to provide exemption for licensees under the Collections for Charitable Purposes Act, 1939-1947, from the payment of lottery licence fees. The Government recognises the community services performed by such groups and seeks to provide relief from the payment of fees that are currently payable under the existing legislation.

The proposed exemption will remove what is at present a source of irritation to the charitable and service organisations and will permit all proceeds derived from lotteries, other than approved operating costs, to be reprocessed to the community. This will be of direct benefit to those who receive aid from this source and will also encourage fundraisers themselves to greater efforts, as there will be no deduction from their revenue. The Bill also provides for a clearer statement of the basis on which fees are charged. It does not in any way alter the existing fee structure prescribed by regulations in cases where fees continue to be charged. I seek leave to have the detailed explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 amends section 14b of the principal Act. Paragraph *(a)* makes a consequential amendment to subsection (1). Paragraph *(b)* inserts new subsections (3) and (4). New subsection (3) makes it clear that the amount of a licence fee can be related to the total sums paid by persons who participate in a lottery. Although the passage removed from subsection (1) by paragraph *(a)* may have had the same effect it is desirable to put the matter beyond doubt by the enactment of new subsection (3). Subsection (4) enables the Governor, by regulation, to exempt a person or members of a class of persons from the obligation to pay licence fees.

The Hon. FRANK BLEVINS secured the adjournment of the debate.

FILM CLASSIFICATION ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

CHILDREN'S PROTECTION AND YOUNG OFFENDERS ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

ROXBY DOWNS (INDENTURE RATIFICATION) BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 4584.)

The Hon. G. L. BRUCE: I enter this debate with very mixed feelings. When I first entered Parliament I was not too sure what it was all about. After three years I am still not too sure what it is all about. I became a member of a select committee which, I believe, did its job brilliantly, even though other people did not agree with it. I believe the partisan atmosphere of politics was removed from that select committee.

When the uranium select committee had completed its evidence I believed that it would put forward some decent arguments about the mining and milling of uranium. The report of the Select Committee of the Legislative Council on Uranium Resources was well received. However, I was bitterly disappointed in that report, because I could not pin anything to anyone on any matter; for every fact there was a counter fact. For each valid point for it, there was another valid point against it, and I came to the conclusion that possibly the committee did not have sufficient scope to enable it to do its job properly, for which I blame the Government. I also blame the Government for the feeling that is abroad in relation to uranium. The guidelines laid down for that committee included the responsibility to examine:

(1) Developments in Australia and overseas since the completion of the Ranger inquiry in 1977 which have a bearing on the mining, development and further processing and sale of South Australia's uranium resources; and

(2) The safety of workers involved in the mining, milling, transport, further treatment, and storage of uranium in South Australia.

Therefore, the inquiry was conducted at that level. If one looks at the committee's report, one sees that it has touched on everything in the nuclear cycle, right through from the generation of electricity to the manufacture of bombs. If the committee was to consider matters such as that, why was it not given the scope to travel overseas or, indeed, to visit countries that depend on nuclear power? Why was not the committee given power to examine the matters of disposal, waste and what happens in relation to disposal connected with weapons?

Since 1942, when the Americans started to develop nuclear bombs and weapons, that country has had waste. Because I am a layman, I am confused about the matter, and I do not therefore understand how members of the public cannot help but be confused. Having been to the library, I read a report entitled 'No Nukes: everyone's guide to nuclear power'. We also have seen the report of the House of Assembly Select Committee on the Roxby Downs (Indenture Ratification) Bill, which Bill is now before the Council. I thought that it would come up with the right answers, but that committee did not do so. Indeed, for every fact in its report relating to one side of the argument, there is another fact

therein dealing with the other side of it. I understand that the Legislative Council's uranium select committee was to report on the safety of workers. The dissenting report of the House of Assembly's select committee on the Bill now before the Council states:

Compensation: No special provision for compensation to workers is contained in the Bill or the indenture. Therefore, the South Australian Workers Compensation Act is all that applies for this purpose. Our attention has been drawn to legislation enacted in the United Kingdom which makes special provisions for compensation, for illness or disability or death, arising out of a short or long term exposure to radiation.

Further on, the report states:

The provisions for the safety of workers and compensation arising from the hazardous nature of the material being handled need much closer consideration. The technology for the disposal of high level waste, which along with fears of a nuclear holocaust is the main basis for public concern about and opposition to the nuclear fuel cycle, is still unproven. The technology obviously exists for the transfer of enriched uranium intended for peaceful energy use into weapons grade material. Audit mechanisms for the control of this material are inadequate and unenforceable in the international community.

The Hon. Dr Ritson in his speech said that we should not attack this matter as an emotional issue, but how can we stop doing so?

The Hon. R. J. Ritson: I didn't say that. I said 'political'.

The Hon. G. L. BRUCE: Well, it is a political issue. I refer the honourable member to a report headed 'South Australian business enters the ring' in the 11 May 1982 issue of the *Australian*, as follows:

Timed to coincide with the current Parliamentary debate on the Roxby Downs (Indenture Ratification) Bill, the campaign consists of a series of full-page advertisements and the widespread distribution of posters. It will conclude on Monday and is estimated to cost the participants about $27 000.

Later, it states:

One of the prime movers of the campaign is the President of the Retail Traders Association and Managing Director of Myer South Australia, Mr Bill Dawson.

It is understood that Myer's advertising department designed and produced the advertisements and posters.

It would have been instrumental in producing the most contentious aspect of the campaign, the prediction that Roxby Downs would result in an additional 15 000 jobs in the State.

If we are talking politics, there it is. The Government has entered into politics just as much as anyone else, if not more. The Government has not done research on the select committee report.

The Hon. J. C. Burdett: It has.

The Hon. G. L. BRUCE: It has not. If the element of confusion exists as it does in my mind and in the public's mind—

The Hon. J. A. Carnie: That is understandable.

The PRESIDENT: Order!

The Hon. G. L. BRUCE: Is the Hon. Mr Carnie saying that because people out there have queries about the nuclear fuel cycle—

Members interjecting:

The PRESIDENT: Order!

The Hon. G. L. BRUCE: There has not been enough evidence produced to convince people that the nuclear fuel cycle is safe. If we are talking about the mining of uranium, that is all right. It is what happens to uranium when it comes out of the ground that everyone is concerned about. We can refer to any page of the report. Page 76 shows a cutaway view of a shipping cask for the transport of used fuel from nuclear power reactors. Page 77 shows a shipping cask for used fuel from nuclear power reactors loaded on a railway truck. Page 73 shows the principle of how nuclear power stations generate electricity. If we are venturing into that field, people should know what is happening with the uranium cycle. Page 65 of the report shows an arrangement of gas diffusion stages. It goes right through the nuclear cycle. If we are venturing into this area why does not the Government make a complete examination of the situation in the world today? We can go right through the report and we see that it barely touches on the mining aspect. It does not go through the emotional issues in the community.

I have a book about nuclear power. It is interesting to see how such power developed. It originally developed from a war machine. It was decided to produce nuclear power for an atomic bomb that would help win the war. It did just that. In doing that, hundreds of thousands of dollars and people were involved. It was an expenditure of the order the world had never seen before and has never seen since. All of a sudden the scientists realised that they had put this power on earth and they could generate jobs for people and decided that they must justify the existence of nuclear power.

The Hon. R. J. Ritson: How do you know it was like that?

The Hon. G. L. BRUCE: How else can it be? I can give the facts and say how much it cost the American Government to produce. They said they had to make nuclear power respected. That was in 1945, after the war finished. This book gives the anti-uranium side of the issue. I believe that people on that side are entitled to a viewpoint, but the Government has not put forward evidence to prove that its viewpoint is right. It should not use the argument that it is right simply because it has the numbers. I do not believe that the 50 per cent of the people that my Party represents should be denied a viewpoint

The Hon. J. A. Carnie: 45 per cent.

The Hon. G. L. BRUCE: I do not know why the 45 per cent of the public represented by this Party should be denied a voice. What happens to the indenture Bill? There has been no input by this Party into the indenture Bill itself. Whether we are right or wrong, the blame can be laid on the Government's shoulders because it has not produced a valid argument as to why we should mine uranium. There are some fascinating things in this book. It gives the politics of what is happening in America and just how much they accept the situation. The book states:

Covering Up.

The A.E.C.'s denial of fallout as a health problem and subsequent efforts to deny and contain the problem by harassing dissenting scientists is well known (and in fact continues to this day). Chet Holifield (D. Calif.) was a member of the J.C.A.E. who would go on to become the most powerful member of the committee . . .

They are here talking about the committee set up to administer it. The book continues:

But back in 1957, even he had to say: 'I believe from our hearings that the A.E.C. approach to the hazards from the bomb test fallout seems to add up to a party line—"play it down".'

The Hon. R. J. Ritson: It is talking there about atmospheric tests with bombs, not this.

The Hon. G. L. BRUCE: It is.

Members interjecting:

The PRESIDENT: Order!

The Hon. G. L. BRUCE: In the testing of bombs, they were denying that there were any hazards from nuclear fallout. If we follow the book through we can see that there is a denial of danger or harm from nuclear power stations. Referring to that matter, the book continues:

The 1960s: Nuclear Plants and More Fallout.

The accumulated power of the A.E.C. began to manifest itself in the 1960s. Electricity was coming from the first commercial nuclear plants, including the Navy-run P.W.R. at Shippingport, Pa. Then in January 1961, three men were killed at the SL-1 reactor in Idaho Falls. However, since this was an 'experimental' reactor and not a 'commercial' one, their deaths were not attributed to the nuclear programme. Meanwhile, the 1958 explosion of stored atomic wastes in the U.S.S.R. (see page 128) was successfully kept secret by the C.I.A., and presented no threat to the burgeoning United States nuclear programme.

If we turn to the page mentioned above, regarding the matter that was not published but evidently happened—

The Hon. R. J. Ritson: How do you know?

The Hon. G. L. BRUCE: What are we supposed to believe? Do we believe the select committee report on Roxby Downs? The book continues:

Soviet Waste Accident—The Kyshtym disaster.

A serious accident involving nuclear plant wastes has already happened. In November 1976, a *New York Times* story told of a report by a Soviet biochemist, Dr Zhores A. Medvedev, now living in Britain. He had written a story in the British *New Scientist* about an explosion of stored radioactive wastes that had killed hundreds of people, contaminated thousands of people and rivers and a large land area. According to the report, an atomic waste dump in the Ural Mountains exploded without warning in March 1958. Clouds of radiation were blown hundreds of miles and many villages were affected.

More than a year later, the Critical Mass Energy Project used the Freedom of Information Act to get more information on the accident from C.I.A. files. The C.I.A. knew of the accident all along. Ralph Nader surmised that the information had not been released because of the 'reluctance of the C.I.A. to highlight a nuclear accident in the U.S.S.R. that could cause concern among people living near nuclear facilities in the United States'.

Throughout this book, incidents such as the one mentioned are documented.

The Hon. R. J. Ritson: Who wrote it?

The Hon. G. L. BRUCE: It is written by Anna Gyorgy and friends. Whether or not you believe what is written in the book, or whether you believe it is a lie, let us try to get to the truth. Right through the whole argument regarding this matter there are truths, half-truths, and lies. I suggest that nobody is in a position to say for sure that nuclear power as such is safe. I believe that the select committee has done a disservice to this State, to the Parliament and to the people of South Australia, under the terms and arrangements set up for it to look into uranium. I believe that it was a farce. I had faith in this Parliament and the select committee system until this particular select committee was set up. I thought that that committee would act in a more bipartisan manner and feed out information and facts that could be verified, properly thought-out, and talked about by people in the community. I would not be completely opposed to the uranium nuclear fuel cycle if somebody could prove that it was safe and that the waste could be disposed of in a proper manner.

The Hon. J. A. Carnie interjecting:

The Hon. G. L. BRUCE: That has not been proven. For every person who says that it can, somebody else says that it cannot. I believe that it was the duty of this select committee and of the Upper House to investigate the whole matter to the best of its ability on a worldwide basis, see what the true story was, and then report back. Any tin-pot factory in South Australia, if it is going to buy a new machine, thinks nothing of sending a committee or some of its members overseas to all the countries in the world that use that particular machine to see if it is going to be suitable, viable or the right machine to buy.

We are talking about a multi-billion dollar industry. The company has already invested $50 000 000 in it but members opposite have not even had the gumption or the guts to send half a dozen people from this Council overseas on a proper fact-finding inquiry. At least such a committee could report back and I would take notice of what was contained in such a report. If there was a basis for it, people outside could discuss matters in a more appropriate manner. How can members opposite dismiss what was shown tonight about 700 people being locked up in New York because of the hazards of nuclear generation?

Members of the Opposition are not confining their argument to Roxby Downs as such; no-one has confined it to that matter only, but we have moved the argument out to the tail end of the nuclear fuel cycle: that is where the dispute lies. Of course, Roxby Downs could be dug up. No-one is saying that there is a health hazard with Roxby Downs, which is not the real problem. The real problem concerns what is happening at the tail end of the nuclear fuel cycle. Last week I read an article in the paper concerning Argentina, which has nuclear power stations the waste from which is capable of producing a bomb, and Argentina has served notice on the European community that it is going nuclear. Whether it means that Argentina will produce a bomb, or whether it will have nuclear submarines or warships is yet to be discovered, but they have given notice to the world that it is going nuclear. That is the concern of the ordinary every-day person: where does it stop? It just amazes me that there has been no in-depth study or in-depth talking taking place.

The Hon. J. A. Carnie: It is quite incredible!

The Hon. G. L. BRUCE: That is all right; I do not mind if members opposite do not want to listen. We do not have an informed community to make a judgment on the matter. I picked up a magazine that came across my desk last week entitled 'Road Trauma—The National Epidemic'. This is stated in the foreword:

A devastating disease is sweeping through 'the lucky country'. It is killing more than 3 000 men, women and children every year and seriously injuring at least ten times as many more. It is called the 'road toll'.

Concern for the suffering that that causes is non existent: no-one seems to be worried. In the *Advertiser* of Saturday 12 June there is an article entitled 'Pins of death dot South Australia traffic police map.' The article refers to road accidents and the road toll in South Australia. The crunch comes at the end of the article. Fundamentally, uranium does not make bombs: it is people who make bombs. The reason for my saying that is that the article that I have referred to states:

Superintendent Whitbread says the mental attitude of drivers is still the major factor in the road toll.

'We're dealing with something like the universal selfishness of man,' he says.

'Mankind itself has got to change. That's what makes our work so difficult.'

I believe that, until the nuclear cycle is safe, mankind must change because there is no way that we will stop producing bombs whether we set off on that trail or not or whether we police what is coming out of Roxby Downs in an attempt to see that it never gets into a bomb.

I can understand the emotional concern of people outside; I can understand the dilemma that my colleague is in, which has been reported in the press. I feel in much the same dilemma; what is true and what is false? Members opposite get up and say 'What a lot of piffle', because there has been a select committee investigation, but there is a report containing half truths. The committee has not seen sites overseas and opinions have been based on the nuclear reactor at Lucas Heights, which is an experimental station.

We are asked to accept at face value what is in the report. Members opposite are saying that I am talking a lot of piffle, but I can tell them that people in the community are confused. People are attending anti-nuclear marches and anti-bomb marches: they do not know what is true or what is not true. Why do members opposite expect people in today's South Australian community to accept the proposal without having had the opportunity to thoroughly investigate it at least to the extent that the Government is capable of doing? I believe that the Government is doing a disservice to this State. I am concerned that it has not seen fit to adopt an attitude that creates a proper basis on which the whole argument can be debated.

I am opposed to the Bill for a number of reasons, one of the main reasons being the view of my Party, which represents over 40 per cent of the people of South Australia.

Although they may not all be in favour of mining at Roxby Downs, the view of the majority of those people has not been considered by the Government. I do not doubt for a minute that there are people in our Party who believe that uranium can be mined safely. I would like to think that was possible and that the nuclear cycle can operate. If we have a source of cheap fuel to supply to the people of the world, we should be doing so, but I do not believe we can do that. We should be taking more interest in what is happening with the nuclear cycle.

I can understand the emotional views put forward by people. I have here some excerpts from a book, but they are too many and too varied to read. Suffice to say, quoted by members opposite, there is a reply in this book. If everything that members opposite are saying was clear and logical the world would not be in the turmoil it is over this issue; we would not have this anti-nuke situation.

What has happened is that there has been the greatest cover-up of all time in the nuclear industry. Nobody has told the truth; everything that has happened has been covered up. The facts about the Russian explosion have not been made public. The C.I.A. knew about it, but was kept under wraps. Evidently, people are prepared to lie and cheat so that the industry can prosper. As I understand it, millions of dollars are tied up in the advertising of the nuclear industry in America—unlimited funds are made available. There is no shortage of money to put the nuclear angle to the people, yet it still has not been accepted because the doubt is still there.

If this Bill is defeated, the Government will be to blame.

The Hon. J. C. Burdett interjecting:

The Hon. G. L. BRUCE: You should have vetted nuclear stations and prepared a better report on which we could base our assessment whether to go into this part of the nuclear fuel cycle. An article in today's *Advertiser* states:

> Australia has slipped down the world's living standards ladder in the past 25 years despite living standards here having risen. Ranked fourth on the ladder in 1955, Australia had slipped into 11th position by 1979.

The Government says that mining raises living standards. Western Australia has mining, and everyone else is doing it; why can't we do it? It is suggested that we cannot survive without Roxby Downs, which is the panacea for everything. I would say that we have had the greatest mining explosion of all time in Australia, yet in 1979 we were down to eleventh position in the order of living standards in the world. Thus mining at Roxby Downs will not solve all our problems. We should leave Roxby Downs alone until such time as the people of South Australia believe that it should be mined, and the moral obligation of supplying the world is accepted.

I believe that, if we intend to mine uranium, we should control the waste and accept it back into South Australia, or somewhere comparable, where we can dispose of it properly. It is immoral to send the stuff overseas and say to our customers, 'The waste is your problem.' In addition, we should monitor the situation to ensure that none of it goes into the nuclear cycle of bombs. These are not the obligations of those people who depend on nuclear energy. If we are prepared to mine it we should be prepared to accept the responsibility of the waste that results. If we asked the people of South Australia, 'Are you in favour of Roxby Downs?', 50 per cent would answer 'Yes.' However, if we asked, 'Are you prepared to accept the waste back into South Australia from the nuclear fuel cycle?' an overwhelming majority would say 'No'. That is a fairly hypocritical situation. I believe that, if people want Roxby Downs, they should accept the moral responsibility of what happens to the waste and the effect that it will have on the world.

The Hon. M. B. Dawkins: You started it.

The Hon. G. L. BRUCE: I did not start it.

The Hon. D. H. Laidlaw: Your Party did.

The Hon. G. L. BRUCE: As a member of a Party, I am governed by what happens at my conferences. The way policy is made is that there is an input from all members of the A.L.P. in South Australia. They decide policies after a lengthy debate. If there is nothing put up at that conference that will change their minds and convince them that the nuclear fuel cycle is safe, and if they are opposed to mining uranium, then I will accept the policy of my Party as such because I believe that that is how the democratic system works. That is certainly the democratic system so far as our Party is concerned.

Until such time as mining interests, the Government and the vested interests in this project can put up a reasonable argument that is accepted by the bulk of the people in our Party, thus causing our policy to be changed, I have no option but to oppose the proposal. I do not believe that those arguments are forthcoming from members opposite, so I cannot support the Roxby Downs (Indenture Ratification) Bill in its present form.

The Hon. K. L. MILNE: The Australian Democrats see the problem of Roxby Downs in two sections: first the indenture Bill itself; and, secondly, we remain steadfastly opposed to the continuation of the uranium industry as a whole and, consequently, uranium mining, where the whole problem of the fuel cycle and atomic war begins. The dilemma in the case of Roxby Downs is that it is a large copper mine with some uranium as well. If it were one or the other, a decision would be much more simple. But the plain fact is that it is impossible to extract the copper and other products without extracting the uranium as well, or so I believe. Furthermore, it would appear that, at the present time at least, the mine would not be viable economically without selling the uranium. To the Liberal Party this poses no problem because it approves wholeheartedly of the uranium industry. However, for those who are really against uranium mining, the dilemma is very real indeed.

In my view, the A.L.P. attempt to disapprove of uranium mining but to encourage the project to proceed while the companies concerned spend another $50 000 000 is quite unrealistic. Obviously, there is a conflict between the ideologists in the Party and the trade unions who perhaps stand to gain. I sympathise with their problem and can understand why the A.L.P. is schizophrenic on the issue. Nevertheless, its go/stop/maybe attitude is really no help whatever.

First, then, let us analyse the Indenture Bill, or parts of it. I have read the second reading speech by the Hon. Mr Goldsworthy and consider it to be a disgrace. It hardly explains anything, certainly not many of the most important matters. It does not give one confidence that the Government is willing to bring the Parliament or the public into its confidence. From what I believe to be the true situation, I think that it would have been in the interests of us all to be open and frank about its disappointment. If it had, then we would not have had those ridiculous full page advertisements in the press, inserted by the Chamber of Commerce and Industry, the Retail Traders Association and others—tearing their heart out, tearing the State to pieces and terrifying the people—knowing the information to be false. Also, at least one of the organisations listed, the Saw Works Association, had not given its permission to be mentioned, and has since unanimously dissociated itself from the advertisements. And, Mr Acting President, do you mean to tell me that the Government is so incompetent, and the State in such a bad way, that it will collapse if Roxby Downs is not proceeded with?

The general public apparently does not think so, because many people have not sent back the cut-out slips that are

part of those advertisements. I refer to the part which stated that the slip should be returned to the appropriate member of Parliament. I have received two such slips, one against Roxby Downs and the other in favour, but the wording was changed. I received about 12 today, which were on a roneod form, and obviously sponsored by the same person. I had expected to receive hundreds (that is quite right), but I did not, and I understand that other members of Parliament received very few—in fact, some received none at all.

Quite obviously, the public does not believe the advertisements and probably resents the fact that the huge expense of those advertisements will be borne by us, the consumers, in the end. Incidentally, a strange twist in all of this is that the people on fixed incomes, particularly pensioners, are worried sick over whether or not Roxby Downs will continue. If it does, and if there should be a bonanza, which the Government assumes and wants, prices will rise and the pensioners will be the first to suffer.

The report of the select committee is at about the same level of intellectual attainment as are the advertisements, and the Labor Party statement (Appendix C) is not very much better, to put it mildly. In all this, we have to remember that Roxby Downs is unlikely to produce anything substantial for at least five years—probably 10. Clause 16 of the main part of the select committee report states:

> your committee recommends that the Bill be passed without amendment and without delay.

This is the result of what the Attorney-General said in his speech, as follows:

> The Bill was exhaustively considered by a select committee of the Legislative Assembly.

I rather like that bit. After all that inquiry, the Government has no amendments to suggest! I simply do not believe it.

The Labor Party obviously does not understand what the indenture really is, namely, a financial agreement between the Government and the mining partners to mine the Roxby Downs ore body in South Australia. What it is actually saying is that, if the Government will agree to certain amendments, it will graciously allow the joint venturers to continue to spend money on the feasibility studies (at about $500 000 a week!), to complete them, but that the decision as to whether they could then proceed to produce copper, uranium and other products should be left to the Government of the day! The Labor Party goes on to say that the 50-year lease (its idea) should be subject to assessment by the then Government. Have members ever heard anything like that? It is of no value to the joint venturers and their financiers whatsoever. I think the Labor Party is rather assuming that it will be in office.

I cannot tell now whether it is in favour of the Roxby Downs project or not, and I am sure nobody else can either. It is the worst possible answer, except for the Hon. Mr Bruce, who, I believe, somewhat saved the situation. It is double talk at its best, because their suggested amendments destroy the indenture, and they know it. As a matter of fact, it will be most interesting to see what they would do if they get into power. I will give honourable members three guesses! We must remember also that the State Government has already signed the indenture, so there is really no very urgent reason for all this fuss.

I now turn to employment. The Government and, to a great extent, the people of South Australia, believe (because they have been told) that Roxby Downs will solve much of our unemployment problem. Unemployment in South Australia is running at around about 47 000 to 50 000, although nobody seems to care very much. Let us say that Roxby Downs will produce, with 'spin off', as the Chamber of Commerce and Industry put it in its advertisment, say 10 000 jobs. Of these, let us say that half come from South Australia. This obviously would be a help, but it would still leave 45 000 unemployed. Roxby Downs on its own is simply not the answer, and I am sure all members know that as well as I do. The real answer is for us all to care more and share more, but neither the Liberal Party nor the A.L.P. has the courage or the inclination to say it, because their masters would not like it. However, unless we are prepared to share the wealth of this country properly, the result must inevitably be social conflict.

I notice that the Government expects between 2 000 and 3 000 people to be employed at the mine, and that there will be a town for 9 000 people. I suppose 3 000 workers would create a town of 9 000 people, counting those employed in the hospital, police station, primary and secondary schools, service industries, and so on. They also talk of the 'spin off' for South Australians, other than pay roll tax, housing rent and rates, if any. They mean, of course, what those people will spend. Let us be quite clear: all of those people have access to all facilities to be provided where they live now.

The Hon. J. C. Burdett: They are not all from South Australia.

The Hon. K. L. MILNE: Whether they are from South Australia or interstate. It simply means that the South Australian Government will provide, for example, the necessary kindergartens, primary and secondary schools, and that other existing schools will get a little smaller—but not so much smaller as to warrant a reduction in teachers. Therefore, all the teachers' salaries, allowances, superannuation, and so on, will be an extra cost to the taxpayer, for the benefit of Western Mining and B.P. That will apply to all or most of the other services. Therefore, the South Australian taxpayer will have an added burden, but some extra Public Service jobs will be created.

For the private sector, the position is very different. There is some talk about the shopping bonanza for traders in Adelaide (which is what the advertisements are trying to infer) when certain of them begin selling commodities to the people at the mine site, and to the families in the new town. I refer to food, clothing, motor cars, petrol, toys, and all domestic items. That has, of course, already started in a small way; but few will have noticed it. We have to remember that all, or nearly all, the people at Olympic Dam, whether those working on the mine or their families, will come from somewhere else in Australia. Those people have been supporting shops, petrol stations, professions, delicatessens, and so on, somewhere else. So, the total volume of domestic spending will be much the same as it was before (except for much higher salaries and wages, probably); in other words, if all those people came from South Australia, then some traders will benefit and some will lose that custom. If many of them come from interstate, which is almost certain (and most of them are predominantly from Western Australia so far), then some traders in South Australia will benefit, while others in other States will lose customers. Let us be quite frank about that. One argument, I suppose, is that the other States do not care about us, so why should we care about them.

But, it would be remarkable indeed if this project resulted in 10 000 or 15 000 extra jobs, as advertised by the Retail Traders Association and others. It is regrettably most unlikely. Mining ventures, on the whole, merely cause people to congregate temporarily in a new place. Furthermore, not only do the joint venturers have no obligation to employ South Australians or to buy as much as possible from here: they are specifically released from any obligations on the ground that all transactions are on a strictly commercial basis.

The joint venturers could not care less about sentiment, and why should they? They are behaving exactly as one would expect them to behave—in their own interests, and

in the interests of their shareholders. And rightly so, up to a point. They are behaving like very big companies have always behaved, mining companies included, over the centuries. Our disagreement is not with them: it is with the Liberal Government. Both have attitudes which they have held for 100 years or more, and those attitudes are not good enough in 1982.

Without detracting in any way from our moral conviction as to our objection to uranium mining and the nuclear industry as a whole, it is my obligation to study and understand as best I can any legislation which comes before the House. Consequently I have studied the Indenture Bill at present before us, and have found it a lamentable effort by the Government in negotiating with the mining companies on behalf of the South Australian people. It is very one-sided, in favour of the joint venturers, and quite unacceptable to the Australian Democrats. So, let us consider just why.

In clause 7 of the ratifying Bill, a number of State Acts are listed. It states that, where there is a conflict between any of those Acts and the indenture agreement the indenture will prevail or take precedence. The Acts in question are the Planning and Development Act, 1966-1981; the provisions of the laws of the State under which any royalty rate, tax, or impost may be levied; the provisions of the Crown Lands Act, 1929-1980; the provisions of the Mining Act, 1971-1981; the Harbors Act, 1936-1981; the Stamp Duties Act, 1923-1981; the Arbitration Act, 1891-1974; the Water Resources Act, 1976-1981; the Electricity Act, 1943-1973; the Noise Control Act, 1976-1977; and the Residential Tenancies Act, 1978-1981. This is quite dangerous as a precedent, and the direct opposite to what will apply at the Yeelirrie uranium mine in Western Australia. The Attorney-General merely said:

> Clause 7 makes modifications to the law of the State that are necessary in view of the provisions of the indenture.

How about our making modifications to the law of the State to suit everyone? What is the good of them? It is made far worse in clause 9, referring to the Aboriginal Heritage Act. Subclause (7) states:

> The powers conferred by section 26 of the Aboriginal Heritage Act are not exercisable without the consent of the joint venturers.

I should not think that the Aboriginal people would be very enthusiastic about that. Mr Goldsworthy, in his second reading speech, merely said:

> The ratifying Bill contains provisions for the operation of the Aboriginal Heritage Act in relation to the operations of the joint venturers.

That would be the understatement of the year, and it is deliberately misleading. I will now discuss the indenture itself. I refer to the parties involved. On page 10 the indenture lists those involved as: the State of South Australia, the Minister of Mines and Energy, Roxby Mining Corporation Pty Limited, BP Australia Limited, BP Petroleum Development Limited, and Western Mining Corporation Limited. Now, just who or what is Roxby Mining Corporation Pty Ltd, and what part is it going to play in this venture? I suspect that it is a subsidiary company of Western Mining Corporation, and one through which it will trade. I further suspect that, in the event of the mine failing for some reason or other, it will be this company which goes into liquidation, not Western Mining Corporation. The joint venturers have power to assign under clause 36.

Incidentally, I wonder how BP feel now that it is required to put up $100 000 000 to complete the feasibility study, without any guarantee whatsoever that the project will proceed. That seems to me to be about as one-sided as this indenture, even if W.M.C. did spend many millions on exploration.

I refer now to the commencement date. The definition is as follows:

> 'Commencement date' means the first day of the month after the date on which the treatment plant first to be commissioned for the initial project or (as the case may be) the first stage thereof as notified by the joint venturers to the Minister after consultation in respect thereof has operated for 60 consecutive days at an average rate of production over such 60 consecutive days of not less than 85 per cent of—
>
> (i) the installed capacity thereof in respect of tonnes treated and not less than 85 per cent of—
>
> (ii) the designed rate of production thereof contemplated by the final feasibility study for the initial project in respect of ore grade, product recovery and production of product;

Surely this is a very indefinite date, because I understand that it is very difficult for a mine to run at 85 per cent of full capacity for every day for three months.

In regard to the time lapse, people have been led to believe, largely through the media, that enormous royalties and thousands of jobs are going to materialise very soon. Unfortunately that is simply not so. The feasibility study is not yet completed, and it is estimated by the Mines Department that it will take over four years to construct the mine and three years after that before the joint venturers 'break even', that is, when income equals expenditure. That would take us well into 1989. However, with extensions of time, if approved by the Minister, the company does not have to decide to go ahead until 1991, and even then a new indenture would be negotiated. I am afraid that we will have to save the State somehow between us for some 10 years or more without royalties from Roxby Downs.

Let us now discuss the vital question of royalties payable by the joint venturers to the South Australian Government. There are two kinds of royalties, basic royalties and what is known as a Surplus Related Royalty. According to clause 32 of the indenture agreement, basic royalties are payable at the rate of 2½ per cent from commencement of production, rising to 3½ per cent five years after 'commencement date'.

The Hon. M. B. Cameron: How does that compare with other projects in other States?

The Hon. K. L. MILNE: It is pretty low.

The Hon. M. B. Cameron: What are they in other States?

The Hon. K. L. MILNE: We will deal with that in a moment.

The PRESIDENT: Order!

The Hon. K. L. MILNE: These royalties are payable on the value of the product processed at the mine site less 'all costs and expenses incurred or payable by the relevant joint venturer' in respect of sale of that amount of product, but not including extraction costs. From an accountant's point of view, this is quite absurd, because there is no limit stated to the expenses that could be brought into the calculation other than extraction and stockpiling costs. There may be a convention about this in the mining industry but the indenture agreement does not say so. We have made several calculations on what we believe these royalties will produce, and all of them come to much the same figure. They have been done independently by a mining engineer, a scientist and a mathematician.

Let us assume that the mine has a maximum capacity as stated in the indenture Bill. Then the calculation of the basic royalty of 2½ per cent will apply. In these circumstances the calculation will appear as I now outline.

An amount of 150 000 tonnes of copper per annum valued at $900 per tonne, that is, market value $1 400 per tonne, (that is what the Hon. Dr Cornwall quoted, but it is a little less than that, but to be generous let us say $1 400 per tonne), less an estimated $500 per tonne (which is a figure calculated by a mining engineer who says that it is about that figure, although it is probably a generously low figure) deductible costs, including smelting and relevant sale costs, would amount to $135 000 000 per annum.

On the present assay results of the ore body, the same amount of copper should produce 5 000 tonnes of uranium at approximately $50 000 per tonne net (it is a net figure because the gross figure of expenses has been deducted from the copper calculation above) and would amount to $250 000 000 per annum. To this must be added an estimated 20 per cent for gold, silver and rare earths, which amounts to $77 000 000 per annum. The total of these figures is $462 000 000 per annum.

The actual performance of this mine, if it is the same as similar mines, would be at the most 80 per cent of capacity over a twelve month period which would mean that the value of the product for a year would be 80 per cent of $462 000 000, which is an amount of $370 000 000 per annum. Royalties of 2½ per cent on that figure would amount to $9 250 000, nothing like the $30 000 000 or $100 000 000 we have heard about from the beginning.

The Hon. L. H. Davis: Your newspaper advertisement says $13 500 000.

THE PRESIDENT: Order!

The Hon. K. L. MILNE: This is a far cry from the original $100 000 000 estimated by the Government some months ago, and the figures which it has quoted on numerous occasions since. We do not believe that the figures quoted by the Government for royalties to be expected were ever justified, and we believe that the Government knows it.

Before proceeding, I draw members' attention to the fact that the term 'commencement date' can be briefly stated as the date on which the plant has operated 'for sixty consecutive days at an average rate of production of not less than 85 per cent' of installed capacity.

We have been advised that this performance would be a very good one for a mature mine of some years experience. Therefore, it is unlikely that Roxby Downs will reach this degree of efficiency for many months, and maybe years after it begins production. Accordingly, it may be much more than five years; in fact, it is almost certain to be more than five years before the basic royalty rises to 3½ per cent per annum. When it does, and if production is the same as set out earlier, then the annual royalty would rise from $9 250 000 to approximately $13 000 000

I now want to talk about the biggest joke of all, and I refer to the matter of Surplus Related Royalty. The Government has also made a big ploy out of what is called a surplus related royalty, which is meant to come into operation in addition to the basic royalties at any time after the commencement date to 31 December, 2005. If we are not going to be producing very much until 1991, there will not be a lot to time for this to come into operation prior to 2005. It is calculated by a very complicated formula which takes something like 6½ pages of small print to define. To give members some idea of how complicated this is, and how unlikely it is ever to produce any income of consequence to the Government, let us do another exercise. Members will recall that in the calculation of 80 per cent capacity at present prices, the approximate value of the annual production would be about $370 000 000. Let us assume that the price of the annual production rises to $1 000 000 000 per annum or nearly three times the present figure—let us assume the price goes up three times. The formula now talks about the project cash surplus (I expect that members have all read about the project cash surplus) which, briefly, means the product value, in this case $1 000 000 000, less 2½ per cent royalty and less all associated costs of every conceivable kind, including provisions for mine closure and rehabilitation, which could well be enormous.

The total of all those deductions we have conservatively estimated at $150 000 000 per annum; this would leave the project cash surplus at, say $850 000 000. We now have to calculate what is known as the project surplus which is the project cash surplus less 20 per cent depreciation on the project funds employed and which according to the joint venturers will be $1 500 000 000. Twenty per cent of this figure in the first year would be $300 000 000 which, deducted from the $850 000 000 leaves $550 000 000. From this figure we then have to deduct company income tax at 46 per cent which amounts to $253 000 000, leaving a figure of $297 000 000. From that, if it ever applied, would be a deduction for Federal resource tax, but let us omit that for the present.

We have now calculated the project surplus at $297 000 000, but to get the amount upon which the surplus related royalty is payable a further deduction has to be made. The royalty is paid on what is called the post threshold project surplus which, in fact, is the project surplus (in this case $297 000 000) less 1.2 times the 10-year Commonwealth of Australia Bond Rate. I am speaking in English, but these facts might as well be written in Latin as far as most people's understanding of them is concerned. If we assume that the bond rate is 15 per cent (it is not at the moment—it is higher than that), then 1.2 times that is 18 per cent, and so 18 per cent of $1 500 000 000 must be deducted, which amount is $270 000 000. This would leave a figure of $27 000 000 upon which the surplus related royalty is calculated and the way to calculate that is to go back one step to the project surplus, which was $297 000 000. I refer members to clause 32 (9) which deals with royalties and where a formula for calculating the actual surplus related royalty is set out. That is the one that has an algebraic formula which I am sure very few have read—

The Hon. J. R. Cornwall: I have.

The Hon. K. L. MILNE: Then, you know how complicated that is. To calculate the actual surplus related royalty, we have to go back a step and find out what percentage of the project surplus (in this case $297 000 000) is of the funds employed ($1 500 000). In the example which we are discussing, this comes to approximately 20 per cent. Now, this is known as the project rate of return and, for any surplus related royalty to be payable at all, this project rate of return has to be bigger than 1.2 times the bond rate, that is, 18 per cent. If it is not, then there is no surplus related royalty payable whatsoever.

In the case in point, 1.2 times the bond rate came to 18 per cent, the project rate of return came to 20 per cent. Therefore, there is a surplus related royalty payable at 10 per cent (members will not believe all this, but it is true) which is quoted in a formula for these circumstances in subclause 10. The Hon. Dr Cornwall confirmed that he had read it and confirmed this. Am I correct?

The Hon. J. R. Cornwall: I did not understand it quite as well as you do. It is even worse than I thought it was.

The Hon. K. L. MILNE: Ten per cent of the post threshold project surplus of $27 000 000 is $2 700 000. Members will not believe all this. Now, the real joke is this: having gone to all this work to calculate the post threshold project surplus at $2 700 000, according to subclause 6, when one unwinds it into reality no surplus related royalty is payable until it exceeds 1 per cent of the product value. In this case we took for our example product value of $1 000 000 000 per annum. Therefore, the surplus related royalty calculation would need to come to over $10 000 000 per annum before anything is payable, and that is unlikely to occur in the foreseeable future.

We have multiplied the price by three, and the product value by three, and there is still no surplus related royalty payable. How ridiculous to set it out in this terribly complicated way when not one person in a thousand would understand it. It is a trick by somebody, because I bet we will never see a surplus related royalty from this mine. What is really needed (and it is the sensible thing to do in

an ore body of this size, if it is going to go on for that long and we cannot stop it) is a simple sliding scale of royalties, increasing as the value of the annual product increases and decreasing if the production falls, instead of going into all this nonsense with so many imponderables.

The Hon. L. H. Davis: If it is so bad, why are two world-rank companies wanting to go ahead with it?

The Hon. K. L. MILNE: Because it is so good, dear boy, that is why. The special royalty arrangements cut out in the year 2005 and revert—

The Hon. L. H. Davis interjecting:

The PRESIDENT: Order! The Hon. Mr Davis asked a question and he ought to stop now.

The Hon. K. L. MILNE: The special royalty arrangements cut out in the year 2005 and revert to the normal provision of the Mining Act which at present is 2½ per cent. In other words, this whole question of royalty and the bonanza expected for South Australia is a crude joke. The best interpretation that I can put on it is that the Government does not understand what it has done. Is that what the Government wanted—2.5 per cent? Does the Government think that is good?

Members interjecting:

The Hon. K. L. MILNE: I do not.

Let us discuss now the other side of the picture, the cost to the State. Something I should bring to your attention is that the State Treasury has told me that the Commonwealth Loan allocation for capital expenditure does not take account of royalties. In fact, it may even be increased to cover infrastructure costs. However, the Grants Commission allocation of recurrent funds would directly take royalties into account according to a policy of fiscal equalisation. In other words, if there was a bonanza of royalties, our State grant could be cut. Nobody has ever told us that! That is one of the best kept secrets of the war. The costs will be in two categories, the cost of borrowing the $50 000 000 referred to in clause 22 of the indenture agreement known as infrastructure costs, and the maintenance costs, both material, salaries and wages and depreciation together with other associated expenses.

Regarding infrastructure costs, the items which the Government of South Australia is required to provide for the joint venturers are set out in clause 22, subclause 2, and the estimated cost of them is set out in clause 3. I seek leave to have these included in *Hansard* without my reading them.

The PRESIDENT: Are they purely statistical?

The Hon. K. L. MILNE: Yes, purely statistical and inaccurate.

Leave granted.

22. INFRASTRUCTURE COSTS

(1) Except as otherwise provided in this Indenture the provision of the facilities, services and infrastructure referred to in Clauses 13, 14, 15, 16, 17, 18 and 21 shall be at the cost of the relevant Joint Venturers.

(2) Subject to subclause (4) of this clause the State shall pay all costs of the provision of the following facilities, services and infrastructure:—

(a) allotment development costs in respect of allotments within the townsite required for public and civic facilities and for housing referred to in paragraph *(b)* of this subclause (2);

(b) all housing accommodation within the townsite for married and single personnel connected with the operation and maintenance of the infrastructure and facilities referred to in subclause (2) of clause 21 (other than accommodation for construction purposes);

(c) police station, lock-up and court house within the townsite;

(d) necessary air conditioned child care centres within the townsite;

(e) necessary air conditioned kindergartens and pre schools within the townsite;

(f) necessary air conditioned primary schools within the townsite including adequate teaching spaces, administration block, shaded or covered play areas, amenities block, tuck shop and staff facilities;

(g) necessary air conditioned secondary schools within the townsite including library, administration block, staff facilities and senior centre lecture theatre;

(h) hospital within the townsite including general, maternity and childrens sections, casualty department, labour ward, operating theatre, outpatients department, diagnostic X-ray Unit and physiotherapy department;

(i) medical and dental centre within the townsite including maternal and child care facilites and family planning services;

(j) local authority offices within the townsite including municipal offices, meeting room, public toilets, library, civic auditorium, works depot and workshop;

(k) swimming pool complex within the townsite including 50 m unheated pool, wading pool, gardens, change rooms and car parks;

(l) necessary sporting facilities and playing fields within the townsite together with appropriate changeroom facilities;

(m) premises and facilities within the townsite for creative, performing and visual arts;

(n) fire services within the townsite including a 2 bay fire station equipped with a fire tender and an additional pump and trailer unit;

(o) State Government offices within the townsite;

(p) 50 per cent of the cost of the upgrading or construction of the road referred to in subclause (2) of clause 14;

(q) Ambulance centre and equipment within the townsite including vehicle;

(r) Parks and gardens within the townsite;

(s) Garbage disposal facilities for the town;

(t) Plant and equipment (including vehicles) necessary for the provision within the townsite of State and Local Authority services and facilities.

(3) The Joint Venturers and the Minister may from time to time agree (failure to thus agree shall not be subject to arbitration) to vary the provisions of subclause (2) of this clause by deletion from, addition to or substitution for (or any combination thereof) of the services, facilities and infrastructure listed therein. For the purposes of this subclause (3) only and to provide a basis upon which value equivalents can be agreed, the parties agree that the value of the infrastructure items referred to in the placita on the right hand side hereunder shall be the values (being the values of those items based on a population of 9 000 people), expressed in June 1981 dollars, set out to the left of the said placita.

	Placita
(a) $3 200 000	22 (2) *(a)*
(b) $7 700 000	22 (2) *(b)*
(c) $770 000	22 (2) *(c)*
(d) $270 000	22 (2) *(d)*
(e) $660 000	22 (2) *(e)*
(f) $11 000 000	22 (2) *(f)*
(g) $6 600 000	22 (2) *(g)*
(h) $4 730 000	22 (2) *(h)*
(i) $220 000	22 (2) *(i)*
(j) $3 080 000	22 (2) *(j)*
(k) $1 100 000	22 (2) *(k)*
(l) $1 100 000	22 (2) *(l)*
(m) $220 000	22 (2) *(m)*
(n) $110 000	22 (2) *(n)*
(o) $330 000	22 (2) *(o)*
(p) $6 050 000	22 (2) *(p)*
(q) $110 000	22 (2) *(q)*
(r) $660 000	22 (2) *(r)*
(s) $220 000	22 (2) *(s)*
(t) $1 870 000	22 (2) *(t)*

The Hon. K. L. MILNE: Incidentally, I will be very surprised if the items laid out in this list do not result in the expenditure of a great deal more than $50 000 000. The Select Committee Report on Uranium made the same point. The $50 000 000 is in June 1981 dollars. Not quite what the Attorney-General said in his speech. Let me remind you that the State borrows from two sources through the Loan Council:

(a) Two-thirds Commonwealth Government Loan (at present the interest rate is running at 16.4 per cent)

(b) One-third approximately capital grants at no interest and no repayment.

Capital Grants are normally used on capital items where income is not derived from them. This would include schools, hospitals, police stations, and items like that. These would account for most of the estimated $50 000 000 for infrastructure.

The Hon. M. B. Cameron: They will be needed, anyway.

The Hon. K. L. MILNE: Of course they will be needed. I am arguing on your side; I am telling you how you are going to get it.

The Hon. M. B. Cameron: But if—

The PRESIDENT: Order! The Hon. Mr Cameron has had a fairly good run.

The Hon. K. L. MILNE: I do not mind honourable members opposite interjecting, because they do not understand. Capital expenditure at Roxby Downs would mean that the money was not available for other things, for which the Government would borrow. So it is as broad as it is long, and we have put interest in at 14 per cent. Apart from any escalation or inflation under clause 22, subclause (3), the Minister may from time to time agree to add to the list. Again, I would be very surprised if this did not happen. But let us assume that it does not happen and the Government is required to pay $50 000 000 which it will need to borrow or take from funds already borrowed. Assuming that the Government borrowing rate is 14 per cent, then the interest bill will be $7 000 000 per annum. We estimate that the maintenance of the assets comprising the infrastructure, the depreciation of those assets, the maintenance of those assets and the salaries and wages, holidays, superannuation and so on of the people required to service that infrastructure (i.e. schools, police station, child minding centres and so on) will come to at least $10 000 000 per annum.

Depreciation allowed for the joint venturers is 20 per cent, and in that climate of Roxby Downs, with the added expense of maintaining services at that distance, the annual expenditure could well be more than $10 000 000. I believe that the cost will be more than $10 000 000, but let us say that that will be the cost.

Thus, we believe that the total outlay by the State each year on behalf of the joint venturers would be something in the vicinity of $7 000 000 in interest, plus $10 000 000 in maintenance, totalling $17 000 000. That would be bad enough if the expenditure which had to be made under the Indenture agreement was offset by royalties; but it is obvious from the indenture agreement that there will be a considerable time lag between when at least some of the $50 000 000 will have to be provided and before any royalties at all are received.

The key to this is the project notice (another of those definitions). This is given to the Minister by the joint venturers, indicating a decision to proceed. Then two things happen. First, any expenditure incurred by the joint venturers on infrastructure must be re-imbursed by the Government forthwith; and secondly, all expenditure on specified infrastructure from that time is the obligation of the Government and will commence in rapid stages.

What, in fact, will happen in practice is that it will be approximately four years after the $50 000 000 has been spent before any royalties begin to come in. This is the period calculated by the Department of Mines and Energy for the construction of the mine and treatment works. Thus there would be four years outgoings at $17 000 000 per annum, totalling $68 000 000, without any royalties at all. I wonder whether honourable members realise that.

The Hon. G. L. Bruce: They might: I did not.

The Hon. K. L. MILNE: It is all very well for honourable members to laugh. After that period the Department of Mines and Energy estimates that it would be a further three years before the joint venturers break even, but assuming somewhat generously that the full amount of royalty will be paid from the first year of production, then the annual losses for the first five years of production, while royalties are at 2½ per cent, would be $7 750 000 per annum, or $38 850 000.

At that stage royalties would increase to 3½ per cent and this will produce a loss of $4 000 000 per annum, or a $20 000 000 loss for the next five years of production. Thus, it seems to me that the situation will be as follows: loss on first four years during construction period $68 000 000, but let us assume that all the money is not put up right at the beginning and reduce the figure to $50 000 000; then five years production at 2½ per cent royalties resulting in a loss of $39 000 000; and another five years at 3½ per cent royalties resulting in a total loss of $20 000 000. Total loss at that stage would be $109 000 000 either in cash or in cash forgone.

The Hon. J. A. Carnie interjecting:

The Hon. K. L. MILNE: Take the grin off your face. How dare the honourable member laugh at a $109 000 000 loss. Thus after 10 years of actual production, the State can look forward to a loss of something over $100 000 000.

The Hon. L. H. Davis: Are you saying that this is incorrect?

The Hon. K. L. MILNE: I do not know about that. I have an idea that it is, but we have never been allowed to see it. It is a great trade secret.

The Hon. L. H. Davis: It is available.

The Hon. K. L. MILNE: No, it is not. The calculation I gave was worked out by the Department of Mines and Energy, and we have not been allowed to see it. While this is the calculation of the direct relationship between royalties and expenses incurred by the Government in relation to infrastructure, I appreciate that there would be some benefit flowing from certain taxes, additional jobs, and perhaps some which are unforeseen. Nevertheless, we believe that it is utter distortion to pretend that the Roxby Downs indenture will be a bonanza on which the State relies for its survival.

The Hon. C. J. Sumner: Do you think they were conned by the joint venturers?

The Hon. K. L. MILNE: Of course they were.

The Hon. Frank Blevins: Taken to the cleaners?

The Hon. K. L. MILNE: Yes, that is the tragedy—they were taken to the cleaners. In the calculation of expenses, the cost of the infrastructure to be supplied by the State Government (or, rather, you and me) is $50 000 000 at 1981 dollars. It would appear that the money for this need not be spent for perhaps five years from now. Therefore the added cost of that owing to inflation could be a very large figure. My guess is that with inflation, strikes, incompetence and whatever, it will be double.

The joint venturers are to receive special treatment in a number of areas, not only exemption from some State Acts, including Stamp Duty. Special treatment is set out for the mining lease, exploration lease, water, and electricity. The last two I can understand, provided those services are not subsidised. I would be interested to see how the use of water at 3 285 megalitres a year can be justified, being taken from either the Murray, through the pipeline or from the artesian basin. The Murray has little enough to spare and will have less as New South Wales continues to expand its irrigation programme. The artesian basin and aquifers are still something of a mystery and should be treated with great care—more care than they are likely to get from mining companies.

The indenture says very little about the construction and maintenance of tailings dams—only oblique references. The Hon. Dr Cornwall also referred to that fact. The Hon. Mr Goldsworthy in his second reading speech does not mention it at all. I suppose it is assumed that compliance with the various codes quoted in clause 15 will cover that very

controversial subject. The most relevant to this is part 1—Code of Practice, contained in pages 1 to 11 of 'Management of Wastes from the Mining and Milling of Uranium and Thorium Ores' published by the International Atomic Energy Agency, Vienna 1976 (Publishers Code STI/PUB/457) (International Standard Book Number ISBN 920 123276).

This is one of the main areas of concern—grave concern—not only for those who are opposed to uranium mining, but surely for those who understand the short and long term problems of uranium and its fuel cycle. The Legislative Council select committee on uranium had a great deal to say about tailings dams, but the Government does not appear to have got the message.

I will quote part of an agreement made in 1978 between the Provincial Government of Saskatchewan and a uranium mining company referred to as 'The Lessee' under the heading 'Abandonment' as follows:

(1) The Lessee agrees to prepare and submit for the approval of the Minister or his designated official or agency a preliminary abandonment and reclamation plan respecting the tailings area together with a design for the proposed tailings pond prior to the commencement of site preparation or construction of the said tailings pond.

(2) During the term of this lease and prior to the completion of the planned milling operations the Lessee shall prepare and submit for the approval of the Minister or his designated official or agency a final abandonment and reclamation plan for the tailings area and other areas directly affected by exploration or development and operation of the uranium mill. In the event the Lessee ceases milling operations or the lease is terminated by the Minister and no final abandonment and reclamation plan has been submitted by the Lessee and approved by the Minister, the Lessee agrees:

(A) To stabilize the tailings area to the satisfaction of the Minister and in particular to ensure that no radioactive dusts can be transported by wind and no leaching of contaminants (as defined in the Department of Environment Act) by ground or surface waters will occur;

(B) To ensure at the time of abandonment that no seepage of radioactive material is occurring from the concrete vaults used to store the radioactive waste from the 'D' ore body and,

(C) To reclaim the surface of the leased lands to the satisfaction of the Minister.

While the indenture Bill may rely on the codes, I think it would have been wiser to spell it out for everyone to see what the joint venturers and the Government had in mind regarding procedures for abandoning the mine, either through economic circumstances or at the conclusion of its life.

I now refer to the storage of radioactive waste. This is a vexed question, and there is a great deal of argument as to whether or not the problem has been solved. At a recent lecture at Parliament House, we heard a Dr Beckmann say that there was no problem with waste storage, as there were several ways of doing it. He must surely be the Bob Hope of the uranium story in the United States.

The Hon. J. C. Burdett: He's an extremely brilliant man.

The Hon. K. L. MILNE: I did have that written down, and I changed it to the reference to Bob Hope.

The Hon. N. K. Foster: Why?

The Hon. K. L. MILNE: Because of self-consciousness.

The Hon. J. A. Carnie: The Labor Party wouldn't know anything about it. They weren't there.

The Hon. K. L. MILNE: The Hon. Mr Bruce was there, and he would be able to confirm what I am saying.

Members interjecting:

The PRESIDENT: Order!

The Hon. K. L. MILNE: I asked this gentleman, if everything was so simple, and uranium, waste storage and transport were not dangerous, why the entire world was worried sick about it and the United Nations and the International Atomic Energy Agency were concerned. I also asked why auditors were going all over the world to keep track of every kilogram of yellowcake. In reply, he said that it was a public relations exercise to stop people worrying.

Members interjecting:

The PRESIDENT: Order!

The Hon. K. L. MILNE: This gentleman said that this was so easy because it had all been worked out and that there were six or seven ways of storing waste. I now refer to the position in various countries around the world.

In Belgium, vitrification processes are being considered. In Canada, methods of disposal of irradiated fuel and/or separated wastes in deep underground rock formations are being developed. In Czechoslovakia, an experimental storage facility for vitrified wastes is being designed and will be constructed in the late 1980s. In Finland, they are investigating crystalline rocks for repository of any returned solidified wastes.

In France, solidified waste will be stored in air-cooled vaults. A similar vitrification plant will be installed at La Hague after confirmation of routine operation of the A.V.M. plant. They are investigating salt and crystalline rocks for waste repository.

In Germany, vitrification processes are being developed. Salt formations similar to Asse are being studied. In India, a waste immobilisation plant using a batch glass-making vitrification process is expected to be operating in 1981. Vitrified wastes will be stored in air-cooled vaults. They are investigating igneous rock.

In Italy, batch solidification to form borosilicate or phosphate glasses is under consideration. Disposal of solid wastes in clay formation of low permeability is being investigated. In Japan, solidification processes are being developed, and a pilot plant will be constructed in the early 1980s. They are investigating granite and zeolite rock formations for waste repository.

In the Netherlands, they are investigating rock salt formations for repository of any returned solidified waste. In Sweden, the scheme is that any returned solidified high-level waste will be stored in underground air-cooled vaults and eventually disposed of in a repository deep in Swedish bedrock. In Switzerland, evaporite formations for repository of any returned solidified waste are being investigated.

In the United Kingdom the possibilities for disposal being considered are placing the blocks on or under the bed of the ocean or in deep geological formations on land. Research into the feasibility of ocean disposal and drilling programme to investigate the properties of certain rock formations and the feasibility of geological disposal. In the United States, all high-activity wastes are to be solidified as soon as practicable. Long-term options being evaluated including storage in existing tanks or vaults, storage on-site in underground caverns, or shipment to off-site federal repository. Commercial fuel reprocessing was delayed for the International Nuclear Fuel Cycle Evaluation (INFCE) study and may be delayed indefinitely with the spent fuel being stored or disposed of.

In the U.S.S.R., industrial scale plant to vitrify wastes is expected to begin operations in the 1980s. Storage of solidified waste in near-surface facilities and deep geological disposal concepts are being studied.

The Hon. J. C. Burdett: What about Synroc?

The Hon. K. L. MILNE: The Minister has heard the evidence on Synroc. Nobody said it was perfect; they said they would experiment with it. Not one country has finally made up its mind. Not one country has proof. What we are asked to believe, I do not know. That information comes from a pro-uranium journal. It is from the uranium centre in Melbourne and the pamphlet is called 'Management of Radioactive Waste'. It is written by people who are pro-nuclear. The Hon. Mr Bruce was concerned about the military waste programme. In this publication his questions are answered adequately. Referring to high level waste, it states:

1. There are already more than 30 years of experience in storing high-level nuclear waste. The first high-activity wastes were produced in the United States during the Second World War as part of the nuclear weapons and defence programme. Thus far the United States weapons programme has generated—in equivalent solidified volumes—0.2 million m^3 of high-level waste or 700 times more than the 300 m^3 from commercial nuclear power plants. Civilian reactor waste in the United States is not expected to reach even 10 per cent of volume of military waste until the end of the century.

That publication is written by pro-nuclear people. Items 2 and 3 state:

2. A 1000 MWe reactor of the most common type produces about 30 tonnes of spend fuel per year.

3. By reprocessing this spent fuel, high-level waste is separated and concentrated. In France the vitrification of high-level waste from a 1000 MWe nuclear power reactor produces 2 m^3 of high-level waste per year.

The military waste is a far more serious problem than is commercial waste. Perhaps I have explained enough to illustrate quite clearly that the indenture Bill is not acceptable to the Australian Democrats. The Australian Democrats are anxious for Australia, and South Australia in particular to progress, but not at any cost. When it is all boiled down, the Liberal Party and, to some extent, the Labor Party have a philosophy linked to the blackboard of the Stock Exchange and the hip pocket nerve. When we are dealing with a matter as serious as uranium, that is not good enough any more.

Public debate throughout the world on issues concerned with nuclear energy and uranium mining has been clouded and often distorted by excessive emotion, as nearly everybody has said in this debate. This is frequently caused by ignorance, sensationalism and political prejudice—all a normal part of human behaviour. Most of us find it very difficult to change our attitude in the face of new information, when we had previously made up our minds. It takes great courage and determination to find and then to accept what is right, instead of who is right. Fundamental intellectual honesty has been scarce in this debate, largely perhaps, because the situation which arose such a short time ago has rapidly and drastically changed.

The Hon. J. R. Cornwall: Only you and I, Lance.

The Hon. K. L. MILNE: We are not as other men! In Australia, the traditional two-Party political system has encouraged polarisation over the question of mining and export of uranium. On one side, those with a vested interest in uranium try desperately hard to justify their stance, their investment and their livelihood. On the other side are those who instinctively hate big business and are suspicious of any major mining venture. That is roughly how the nation is divided, and both sides try to frighten the bewildered public by introducing extreme or exaggerated arguments, not always based on fact. It has become very difficult to evaluate with absolute honesty and impartiality the evidence surrounding these extremely complicated issues. The problem is exacerbated locally because Cabinet Ministers and shadow Ministers frequently lack the fundamental background required to accurately comprehend the long-term consequences of their decisions—

Members interjecting:

The PRESIDENT: Order!

The Hon. K. L. MILNE: So often made with only the next election in mind. The attitude of the Australian Democrats is different—not a compromise, 'not in the middle' but, we believe, a more sensible, practical possibility, causing minimum and manageable losses to those involved in the industry, yet ridding the world of a self-inflicted menace. We believe that Australia, and in this case, South Australia, can have a decisive effect on reversing the present trend and should attempt to do so.

Applied nuclear history has been written only during the past 40 to 50 years, and we have all been witness to it. Yet it is as well to glance back at it very briefly to remind ourselves what has actually happened over that comparatively short period. Nuclear power was developed in the first instance in the 1940s, for its exploitation in offensive warfare.

The Hon. N. K. Foster: Long before that, before you were born.

The Hon. K. L. MILNE: Before that it was developed for medical and health reasons. Literally astronomical investments were made for that purpose by the most prominent and powerful nations on earth. It was not envisaged as an alternative industrial or domestic energy source until many years later, when, at the height of the cold war (1949 to 1954) the futility of this original use became widely realised. Only then was nuclear power given its second and more acceptable chance: that of an alternative energy source in the civilian nuclear power reactor for the generation of electricity. President Eisenhower gave it a respectable name: The 'Atoms for Peace' programme.

All major industrial nations started to invest substantial proportions of their national resources in some part of the nuclear fuel or power cycle, believing or hoping that the peaceful development of nuclear power was the breakthrough that the world was looking for. In fairness, we must remember that literally the whole scientific and political world believed that the fissioning of uranium was the energy source to save our civilisation. The whole world acclaimed it then. Now that we know the dangers not known at the time it all started, we must have the courage to stop it as best we can.

The Hon. C. J. Sumner: Everywhere in the world?

The Hon. K. L. MILNE: Everywhere.

The Hon. C. J. Sumner: For ever?

The Hon. K. L. MILNE: Hopefully, yes. After 40 years of this development, which has been second to none in size and speed (even Australia, which has no need for nuclear power has spent more than $1 000 000 over the past 25 years) mankind has come to realise many of the dreadful, indeed, abhorrent, consequences. We all fear the accidental and deliberate misuse of nuclear energy. We all know that the by-products of the nuclear process carry with them unparalleled quantities of devastating ionizing radiation, incompatible with any form of life. We are all aware of the enormous increase in the earth's inventory of this radioactive debris or waste, only a fraction of which can be controlled. We are all aware that, for the first time in history, the world really has the ability to destroy itself. Yet the ever-growing world population, together with an accelerating per capita consumption of energy, threatens the very basis of our complex society. Energy supplies, including nuclear energy, have become more fundamental than the gold standard ever was. To us all, energy means health, food, transport, comfort and security. Foreign policies are designed on the basis of energy resource availability and management.

Although the nuclear power industry is still relatively small, it is a multi-billion dollar industry, indispensable, at present, to some developing nations that do not have access to oil and coal. The development of nuclear power to replace fossil fuels at this time may well be the greatest error of judgment perpetrated by mankind. Nevertheless, the inertia of this already colossal industry and the dependence by many industrial nations on this energy source, creates the dilemma that the problem cannot be stopped dead in its tracks. Nuclear power can only be phased out over a period: that is where I stand.

The South Australian involvement in the nuclear fuel cycle is at its starting point, namely, as a supplier of raw materials. Grave responsibility lies in the honest management of this resource, taking into account the fuel consequence

of the world's nuclear dilemma. By taking a responsible attitude with regard to the phasing out of nuclear power, Australia, as a nation, can exert a strong positive influence. But by withdrawing from this responsibility, by surrendering to the tempting pressures from the mining interests or by adopting an inflexible negative attitude of the extreme uranium lobby, I believe that such an opportunity will be lost. Simply selling uranium at any cost for the sake of questionable economic benefits, is as irresponsible as is the sale of human beings into slavery or selling alcohol and cigarettes to children, or trafficking in drugs. Instantaneous wealth is a myth.

This is most readily understood by looking at the wealth accumulated by the slave trade in southern United States of America. Those involved in the slave trade, both those finding them and selling them and equally those buying them and misusing them, did not care, or realise, the human misery, social injustice and racial friction that was to become rampant in the wake of their mindless and cruel activities. Even now, 200 years after the abolition of slavery, the cost to the American nation in hard cash, to accommodate the problems created then, is many times the profit made by slavers and users. The quick fortunes for a few people then has meant continuing costs in money, misery and bitterness for millions of people ever since. At the same time, the emotional instillation of fear and the consequent turning away from the problem is the attitude of a coward, incapable of facing his responsibilities.

Fear causes irresponsible actions, panic, irrational debate, and, in the present case, wishful thinking about alternatives. Fear will never provide a solution. Yet serious and well-founded reservations about nuclear power, in a realistic frame of responsibility, leads inevitably to the conclusion that nuclear power must be phased out as rapidly as possible. There can be little doubt whatever about that.

Many Australians agree that the attitude of the Australian Democrats is a reasonable one (they call it a compromise) but they feel that it will have no effect whatever on the world scene—indeed not even on the Australian scene outside South Australia—and is therefore a waste of time. They think that the sacrifices which would be necessary to bring the message before the world would be in vain. They may be proved right, but their argument is not worthy of a nation like ours, and we reject it out of hand. There is no excuse for our not trying.

There is also the argument that, if the nuclear industry is phased out, it will place greater emphasis on the burning of coal and oil. That is true. It is also true that coal mining is more hazardous than uranium mining and that coal burners create a real pollution problem while uranium does not. That is true, and has been true for a century or more. It is always a mystery to me why greater control has not been exercised over coal mining and burning. It is urgent, and yet no-one dares to discipline the coal industry like they attempt to do with the uranium industry. And what of countries which have no energy sources whatever and seek to industrialise? This is a difficult question to answer, but my view would be that, unless they can get by without uranium, then they should not attempt to become an industrial nation. That sounds heartless and superior, but I refer again to the quick fortunes made from slavery which have cost the United States dearly. I believe that, in the long term, resorting to nuclear energy to generate electricity in a developing country would spell disaster—for that country and almost certainly for others. In any case, it would seem that uranium reactors are already pricing themselves out of the market.

As members know, I was a member of the six-man select committee of the Legislative Council on Uranium, and I submitted a dissenting statement from some of the conclusions of that committee. The report of that committee has been published, and thus my dissenting statement has been published. Nevertheless, I wish to include that statement here and I seek leave to have it inserted in *Hansard* without my reading it.

Members interjecting:

The PRESIDENT: Order! The honourable member seeks leave, but I need to know whether it is statistical material.

The Hon. K. L. MILNE: I will have to read it then, as I want it included in *Hansard.* Surely it will not hurt to have it inserted.

Members interjecting:

The PRESIDENT: I am not going to alter rules. If it is not statistical, it cannot be inserted without being read.

The Hon. K. L. MILNE: Very well, I will read it, as follows:

Dissenting statement by Hon. K. L. Milne from certain conclusions and recommendations of the report submitted by the Chairman of the Select Committee on Uranium.

At the meeting of the select committee held on 5 November 1981 when the Chairman's report was officially presented, I supported the resolution that it should be received purely to enable the report to be referred to the Parliament and printed. The report appears to have been written with the underlying assumption that uranium mining in South Australia will proceed or continue, and is attempting to justify it.

Uranium is used for both commercial purposes and for making weapons for war. The select committee neither sought nor received evidence regarding the use of uranium for making atomic bombs. The inquiry was in regard to the peaceful commercial use of uranium—to boil water, to make steam, to drive turbines for the generation of electricity. It appears to me that this is the most dangerous and complex way of using one type of energy to create another ever devised by mankind.

No other mineral in the history of the world has attracted so much debate, controversy and criticism, nor so much need for attempts at national and international control. Apart from that, there is a vast difference betweeen uranium and any other fuel. All other known fuels generate heat and burn away, leaving relatively harmless gases or ashes. Uranium does not. As uranium burns, it releases enormous quantities of heat and it creates a terrible lethal radioactive residue referred to as 'waste'. This waste remains radioactive for hundreds, if not thousands, of years and no-one yet knows for certain how to store it safely for that length of time. It is a problem of a new dimension entirely.

Evidence presented during the hearings of the select committee establishes to my satisfaction that mining, milling, transport and further treatment of uranium up to the stage of fabricating fuel rods will occasion no greater public or occupational exposure to harm than arises from the operations of other extractive industries, provided that current 'best practices' in respect of health and safety are strictly enforced, and provided also that current standards for the isolation of mill tailings are made more stringent.

Nonetheless it is my firm belief that exploitation of uranium resources should not proceed at this stage, because the hazards of reactor malfunction, misappropriation of fissile materials and temporary and permanent storage of the waste products of the nuclear fuel cycle are at present beyond the capacity of mankind to control. It seems to me that those concerned should be giving more consideration to ways and means of reducing the radioactive decay periods of the waste. The intention of this would be to bring the problem back to this generation and not leave it to future generations to suffer or solve. I understand that currently the technology required to do this exists, although it is not economically viable at the present time. However, this should not prevent us from trying.

I then make a number of comments on various sections of the report and conclude, as follows:

Finally, I believe that unless Australia is prepared to accept full responsibility for the consequences of mining uranium, including the storage of high level waste, then to mine and sell it to others, thus leaving the resulting problems with them, is quite unjustified, unfair, and, to me, unacceptable.

I wish to refer to two paragraphs of that statement to emphasize the dangers inherent in continuing with a nuclear programme. I repeat what I said in paragraph 3, as follows:

No other mineral in the history of the world has attracted so much debate, controversy and criticism, nor so much need for attempts at national and international control.

Why is it that there is so much importance placed on international controls? Why does the world, through the United Nations and through the International Atomic Energy Agency, take so much trouble to monitor, or try very hard to follow and account for, every kilogram of uranium, yellowcake, fuel rod pellets and plutonium? Why do we not monitor coal or oil? The simple answer is because we are trying to prevent 'atoms for peace' being used for war. This enormous and expensive programme (and heaven knows who is paying for it) is already a failure—a dismal, demonstrable failure. I now refer to another paragraph in my statement, as follows:

> Finally, I believe that unless Australia is prepared to accept full responsibility for the consequences of mining uranium, including the storage of high level waste, then to mine and sell it to others, thus leaving the resulting problems with them, is quite unjustified, unfair and, to me, unacceptable.

There are two arguments frequently advanced as to why Australia should continue to export uranium oxide (yellowcake) and why there is no sense in South Australia refusing to mine it. The first is that, since other nations are selling it, we might as well do so. This, of course, is utterly dishonest and only those people whose philosphy of life is written on the back of a $100 note could advance it seriously. The same argument would apply to drugs, pornography, gambling and organised crime. Come to think of it, looking at South Australia over the past 15 years or so, it probably does apply!

I had a letter from a prominent Adelaide scientist which began by saying that, while he wished that nuclear fission had never been discovered, now that it was a fact of life, we might as well sell uranium. Really, if that is the scientists' attitude, then God help us all. Not only is South Australia to continue to sell uranium but also it is hell-bent on moving into conversion and enrichment, because it will make more money. In fact, the South Australian Uranium Enrichment Committee is still very active, if quietly, as witness a letter, dated 14 April 1982, from Sir Ben Dickinson, who is a member of that committee. The letter stated:

> I found it necessary to reply to Mike Rann's uranium supplement in which my name was used somewhat out of context as the Dunstan mission over three years ago had to have a 'face-lift'. Hence my document. You will also recall the plea I made as a scientist in the talk I gave to the Overseas League Club. More recently, I wrote a short philosophical analysis of the uranium issues as they appear to me in the Roxby Downs context. Not to burden you unduly, I enclose copies herewith. I believe the real positive stance on supplying uranium to the world has yet to be taken by the Commonwealth Government in insisting on its processing in Australia before export. I would be pleased to talk to you at any time.

This committee, members will recall, was set up by the Dunstan Labor Government, for some reason or other, and is reported to be 'doing some very valuable work'. Evidently, an Australian enrichment plant is still contemplated solely to enrich Australian uranium. Because there is already an over-capacity in the system world wide, someone must be expecting a lot of Australian uranium for a long time.

The second argument used in favour of mining uranium is that the storage of the highly radioactive used fuel rods, or what we call 'waste', is not our concern. The pro-uranium lobby says that the radioactivity from waste is minimal and of little consequence, and that, in any case, that is the problem of the customer country, not our problem. They say that, if a country is a willing, or even anxious, buyer, then it must live with the waste storage problem. That is a good argument when selling motor cars: the customer country can cope with the old used cars. But it does not hold water when dealing with a problem which the whole world is trying, unsuccessfully, to solve. Now let us get down to the nitty-gritty of the stand by the Australian Democrats and what it means to me. We have not said that we would never agree to uranium mining.

The Hon. C. J. Sumner: You just told me that you didn't.

The Hon. K. L. MILNE: I said what I feel personally.

The PRESIDENT: The Hon. Mr Sumner must not interject when he is not in his seat.

The Hon. K. L. MILNE: What we have said is that we will not agree to it until the problems of waste disposal security (especially plutonium) and costing, which must include the cost of long-term waste disposal, are solved. This statement, which is part of our national policy on nuclear power and uranium mining, was written before we knew as much as we do now about the dangers of uranium and its fuel cycle. We now refer to waste 'storage' rather than to waste 'disposal', as this conjures, in people's minds, the image of a rubbish tip, covered over—and forgotten.

We also have had the benefit of the report by the select committee of the Legislative Council (tabled in the State Parliament in November 1981) which inquired into the whole matter. As I was a member of this select committee, it may be helpful to expand our policy statement into what I believe are the components necessary to implement that policy. The control of uranium mining and of the product inside Australia and to the wharf is in the hands of State Governments. The export of uranium and the conditions under which it is sold are the responsibility of the Commonwealth Government. International controls (such as they are) are the responsibility of the United Nations, through the International Atomic Energy Agency.

The storage of waste is the responsibility of the customer countries using the uranium. There are three categories of 'waste': low level waste, such as contaminated clothing and tools; waste comprising 'spent' fuel rods, which are still at 400° centigrade when removed from the reactor and placed in temporary storage—these comprise by-products which release enormous quantities of devastating radiation which no form of life can withstand; and reactors which have seen out their life (estimated maximum about 30 years) and which have to be dismantled somehow. I believe that our policy boils down to the following:

1. That no further licences to mine uranium be granted in Australia, other than for medical purposes.
2. That all mining of uranium be phased out over a maximum period of five to 10 years.

If, in spite of our best endeavours, uranium mining continues, we should try to insist on the following safeguards:

3. That all sales of uranium from Australia during this five to 10 year period be subject to the approval of both Houses of Federal Parliament.
4. That uranium, or any product of its fuel cycle, be sold or leased only to countries which have agreed to accept 'full scope' safeguards and their enforcement by inspectors of the International Atomic Energy Agency and Australian inspectors.
5. That no trade in nuclear materials or technology be conducted between Australia and any State which is not a party to the Treaty on the Non-Proliferation of Nuclear Weapons.
6. That no uranium, uranium oxide, or any other product of uranium be released for export unless the Commonwealth Government releases the draft conditions of sale for the approval of the State Government before the sale is authorised. (Uranium sold for medical purposes is excluded.)
7. That no Australian uranium be sold anywhere in the world, including Australia, for the making of weapons of war. This would preclude any country with a military nuclear programme, or a country which provides uranium to such a country, which may use the plutonium for war.

8. That Australian uranium be sold only to customer countries approved by the Commonwealth Parliament.
9. That fuel rods made from Australian uranium be sold only to those countries with reactors of approved design and construction and with responsible and approved management. This would be part of the original sale contract.
10. That before any contract is concluded with a customer country, that country be required to satisfy the Commonwealth Government that it has the ability to store radioactive waste safely for up to 1 000 years, has made arrangements to do so, and guarantees to do so.
11. That, before Australian uranium is delivered, the customer country shall deposit with the International Atomic Energy Agency such sum as the agency may determine, to be held in trust for that country, as a guarantee that the storage of waste will be properly managed and controlled; such sum to be refunded to the said country over a period of 100 years, with interest being paid annually.
12. That no customer country of Australia shall sell any uranium, new fuel rods, spent fuel rods or any other product of the uranium fuel cycle, to a third party without the approval of the Commonwealth Government, and under terms set out in the agreement of sale.
13. That, in appropriate cases, fuel rods, no matter where they are made, remain the property of the Commonwealth Government or its agent, to be returned to Australia for storage if requested and at the cost of the customer country.
14. That leasing agreements, if any, be between national Governments only and not between manufacturers and users.
15. That a register be kept of all transactions in Australian uranium and fissile material arising therefrom, such as to permit accurate auditing of inventories through the whole fuel cycle, including radioactive waste.
16. That Australia continue to accept inspection and inspectors from the International Atomic Energy Agency as well as having its own inspectors.
17. That all expenses of control, monitoring and inspections (including salaries, equipment, travel, accommodation of officers, office rent) be met by the industry, including the users of atomic energy.
18. That a register be established as soon as possible of those involved in the uranium industry in Australia, for the purpose of long-term workers compensation claims (special claims for radiation damage, as is enacted in the United Kingdom) and other medical and research purposes.
19. That companies mining uranium, and the State Government, in whose territory the uranium is, or is to be, mined, and the Commonwealth Government, be required to contribute to a fund for the establishment of an Institute of Uranium and Radioactive Studies, financed from royalties on uranium mining, to undertake research into both uranium and alternative sources of energy.
20. That the moneys received by way of royalties be invested without deduction in a perpetual trust fund and that the Government of South Australia shall have access only to the income from that trust fund, so that future generations of South Australians may share in the mineral wealth which belongs to them as much as it does to us and whose need may be greater.
21. That the public debate be encouraged and held throughout the nation and that the whole issue of uranium be put to a referendum at the end of a complete session of Federal Parliament during which the public debate takes place.

The Hon. J. C. Burdett interjecting:

The Hon. K. L. MILNE: I would expect the Minister to say that, because he would not want a referendum to be held. I remind him that this should occur if we cannot prevent uranium mining. Surely, those are conditions on which we could try to insist. It may seem funny to the Minister, but someone must try. The Australian Democrats and I, and indeed the Labor Party, are prepared to try, but the Liberal Party is not prepared to do so. It does not even want to try to face up to this matter. I believe that there is no way at the moment in which these safeguards can be met. Many are ineffective and unenforceable. I say again that the whole subject of uranium and the fuel cycle, to be handled safely and properly, is simply beyond the ability of the human race. Until it is controlled safely, the Australian Democrats remain implacably opposed to South Australia's being a part of the uranium tragi-comedy.

I ask all members to realise, and to try to understand, if they will, that all this is but an extension, a restatement, if one likes, of what I have believed since my student days. Then, I was active in the peace movement, as was fashionable after the horrors of the First World War were gradually made public. As a result, I wrote at the age of 21 a book that was published in Adelaide in 1937. It was only a little book, and one might ask what use it was in the world scene. The answer is, 'probably very little, if any', but I did try. And it was very unpopular, just as my stand, with millions of others, against uranium and nuclear war, is unpopular today.

I called my book *Ostrich Heads* from the quotation, 'Whole nations, fooled by falsehood, fear and pride, their ostrich heads in self-delusion hide,' by Thomas Moore. The situation applied to Australia then, as it certainly does now; but war came two years later in 1939 and, after completing my examinations, I joined in it. I am glad that I did, because I was to see the utter stupidity of war: the greed, the waste, the misery, the bitterness, the destruction, and, afterwards, the futility of it all. I quote again, from my little book, from Cecil Roberts as follows:

> No wonder God, as an institution, died in the Great War. The recurrent blasphemy of the war memorials throughout the countryside has debased religion to its lowest symbolism. The odd chance that the sword of slaughter can be imposed upon the cross of sacrifice has been eagerly seized, and thus the wastage of a million young lives is commemorated by the symbol of a creed that failed to save them.

My plea is to everyone concerned with Roxby Downs. It is a problem we all face. I speak particularly to the Hon. Dr Ritson and the Hon. Mr Dawkins. My plea is much the same as theirs. Everyone concerned with Roxby Downs is affected and the responsibility is shared by everyone in South Australia, including every member of this Parliament, Western Mining Corporation, B.P. Australia, the Chamber of Commerce, the media, the churches, the pro-uranium and the anti-uranium lobbies, and the rich and poor alike. We have to have the courage and determination to do our share, however small that may be, to help those already at war and to find a way to stop it.

There is very little time before the world blows itself to pieces or survives for future generations to live in. The choice is ours, not theirs. It is, as the scientists put it, 'four minutes to midnight.' Please try to look at the next generation, not the next election or the next dividend on mining shares. Let us not lose this wonderful opportunity to set an example of a new level of caring and sharing in this State. It will not be as hard as all that. South Australia has done

it before; let us do it again. Until we do, I would, with the utmost regret, oppose the Bill.

The Hon. J. A. CARNIE secured the adjournment of the debate.

SUPPLY BILL (No. 1) (1982)

Adjourned debate on second reading.
(Continued from 10 June. Page 4528.)

The Hon. C. J. SUMNER (Leader of the Opposition): This Bill appropriates money to enable the Government to continue operations into the first part of the next financial year. The appropriation is to the extent of $290 000 000. It should, according to the second reading speech, last the Government through until the end of August. I support the Bill, which is traditionally introduced at this time. It may well be worth while reminding the Council that this Bill would enable the Government to continue to operate should there be an election before 30 August 1982. I would like the Attorney-General to give some indication to the Council as to whether that is in the Government's contemplation.

The Hon. L. H. DAVIS: In speaking briefly to this Bill I have noted that the Premier and Treasurer, when presenting the Budget for the current financial year in September 1981, explained the strategy of the Budget which was for a Budget deficit of $3 000 000 on consolidated account.

The Hon. C. J. Sumner: What Bill are you speaking on?

The Hon. L. H. DAVIS: I am speaking on the Supply Bill. The point was made that, whereas in past years the practice was to account for revenue and capital transactions separately, 1981-82 saw the introduction of consolidated account embracing both revenue and capital transactions. Funds provided by the Commonwealth Government along with borrowings, which are largely controlled by Loan Council, account for approximately 70 per cent of State Government expenditure.

With an estimated increase in Commonwealth payments to the State of little more than 6 per cent against a projected inflation rate of $10^3/_4$ per cent for 1981-82 and a salary and wage increase of at least 2 per cent or 3 per cent higher than the inflation rate, the Treasurer, in presenting the Budget, made the obvious point that in South Australia there would be a significant shortfall in funds from the Commonwealth. This was, of course, true for all the States. So, Budget planning had therefore to emphasise cost control effectiveness and efficiency of administration in the public sector and a close review of the many competing priorities for the shrinking funds. To meet recurrent expenditure, of which by far the major item is salaries and wages, an amount of $44 000 000 was transferred from capital works.

The Hon. C. J. Sumner: An unprecendently high level. It has never happened before in the history of the State.

The Hon. L. H. DAVIS: This in itself is not a practice which can be supported in the long term. It resulted in proposed capital payments from the 1981-82 Budget being cut to $186 100 000, some $48 000 000 less than the actual payments for 1980-81. Even with this transfer of $44 000 000 from capital works, proposed payments of a recurrent nature for 1981-82 were only 10.8 per cent higher than the 1980-81 figure. This underlines the financially stringent conditions which prevailed in this fiscal year. The Hon. Mr Sumner made the point that it is an unprecedently high rate. With that I can but concur but the fact is that all other States were in the same position. I will be interested to hear from the honourable member whether he has any better alternatives.

It is therefore pleasing to see that the Treasurer has reported a likely surplus of about $10 000 000 on consolidated account, given that there have been heavy financial commitments in winding up Monarto and other Labor Party projects such as the Land Commission, along with the continuing problems associated with the Riverland cannery at Berri. The expected Budget result is even more reassuring when one takes into account the likely results on revenue accounts in New South Wales, Victoria and Tasmania. It highlights very clearly the very point I have already made in responding to the Hon. Mr Sumner's interjection.

The New South Wales Labor Government, for example, planned a revenue deficit of $3 000 000 and it seems likely to exceed $100 000 000. Recently the Treasurer of New South Wales (Mr Booth) blamed big wage rises for most of the State's problems. He said that rises granted since the Budget last August would cost $315 000 000 in 1981-82; that is, $126 000 000 more than expected, and he stated that, not surprisingly, there was some reduction in services and additional taxation would be required to rectify the problem.

From what I can ascertain the situation in Tasmania is that there was a planned deficit on Revenue Account of some $14 000 000 and that is likely to blow out in the full year to $30 000 000. In Victoria there was a budgeted surplus on Revenue Account of some $16 000 000. It looks like being a $70 000 000 deficit.

Therefore, the first conclusion one can draw is that in a period of great financial difficulty South Australia has fared better than most States insofar as the 1981-82 Budget is concerned. The second point that should be made is that to only examine consolidated accounts in respect of capital expenditure is to cover only half of the story. In evidence given recently to the select committee examining the Roxby Downs indenture Bill, the Under Treasurer made the point that off-Budget capital expenditure by semi-governmental authorities and other public bodies is in fact greater than the capital expenditure covered on Budget. This is reflected in the December 1981 publication *Recent Trends in South Australia, Public Finances and the 1981-82 outlook.* This appears to be the first up-to-date and comprehensive summary of the current financial outlook in the State, together with comparative figures for both the State's Budget and non-budget sectors. It is pleasing that the Treasury, with the assistance of the Australian Bureau of Statistics, has prepared such an excellent document which helps to demystify the complexities of the State's financial accounts.

The statistics for capital outlays in the consolidated budget and non-budget sectors reveal a quite different story. Table 14 of the publication that I have mentioned reveals that in 1981-82 estimated capital outlays are $598 000 000, as against a figure of between $450 000 000 and $499 000 000 in the preceding three financial years—an increase in money terms of over 20 per cent. For example, capital expenditure by the Electricity Trust of South Australia was estimated to be $177 000 000 in 1981-82, as against only $99 000 000 in 1980-81. The non-budget sector has increased its share of public capital formation from 24 per cent in 1970-71 to 31.4 per cent in 1974-75, to 39.5 per cent in 1980-81, and to 46.1 per cent in 1981-82. This mainly reflects the more recent increased capital spending by ETSA and the South Australian Housing Trust.

The publication also shows that since 1970-71 there has been a continuing shift in public sector spending away from capital to recurrent items. Whereas in 1970-71 recurrent expenditure accounted for 50 per cent of all public expenditure, by 1980-81 that figure had increased to 73.6 per cent. However, it is reassuring to note that this trend is likely to be reversed in 1981-82, with recurrent expenditure estimated to be down from 73.6 per cent in 1980-81 to 71.2 per cent,

and capital expenditure estimated to be up from 26.4 per cent to 28.8 per cent. It is important that this trend has been reversed, because in the six consecutive years from 1974-75 to 1980-81 public capital expenditure fell in real terms. The abovementioned figures highlight the increasing need to examine both the budget and non-budget financial information.

The third point that should be made apropos the information paper issued by the South Australian Treasury is that in the period 1970-71 to 1977-78 direct expenditure in goods and services by the State public sector increased at a relatively faster rate than figures applicable to public expenditure by all States and all Commonwealth authorities respectively. This reflected largely the 30 per cent increase in the State public sector employment for the period August 1972 to August 1978, from just over 80 000 to nearly 104 000. However, over this same period, August 1972 to August 1978, private sector employment in South Australia remained static at just under 400 000 people.

In the period August 1979 to December 1981—the latest available figures—public sector employment, however, has been reduced by 3 200 to 98 900. If one takes an imputed value of about $20 000 per public servant, that results in a saving per annum of something like $604 000. Private sector employment rose from 399 500 people to 425 800 people in that same period, August 1979 to December 1981. I seek leave, Mr President, to have incorported in *Hansard* without my reading it material of a statistical nature relating to public and private sector employment in South Australia.

Leave granted.

PUBLIC AND PRIVATE SECTOR EMPLOYMENT IN S.A.

Date	Private Sector Employment	Public Sector Employment				Total Employed Population	Per cent Employed By Government	Unemployed	Total Labour Force
		Commonwealth	State	Local	Total				
	'000	'000	'000	'000	'000	'000	%	'000	'000
August 1972	397.8	29.5	80.3	6.5	116.3	514.1	22.6	17.1	531.2
August 1978	402.7	39.7*	103.9*	7.1	150.7	553.4	27.2	44.2	597.6
August 1979	399.5	38.8	102.1	7.0	147.9	547.4	27.0	45.3	592.7
August 1980	403.4	38.2	102.0	6.8	147.0	550.4	26.7	47.7	598.1
July 1981 ...	412.8	37.9	100.5	6.9	145.3	558.1	26.0	48.8	606.9
August 1981	411.0	37.9	100.5	6.9	145.3	556.3	26.1	48.3	604.6
September 1981	421.6	37.8	100.5	6.9	145.2	566.8	25.6	47.7	614.5
October 1981	414.2	37.6	100.7	6.9	145.2	559.4	26.0	49.2	608.6
November 1981	418.7	37.7	100.7	6.9	145.3	564.0	25.8	45.8	609.8
December 1981	425.8	37.8	98.9	7.0	143.7	569.5	25.2	49.8	619.3

SOURCE: The Labour Force: Australia 6203.0
*7783 Railway employees transferred from State to Commonwealth.

The Hon. L. H. DAVIS: The Liberal Party, on coming into Government, had a strong commitment to review the administration and size of the public sector, and it appears clear from those figures that I have just tabled and from the other statistical information that I have related during this brief comment on the Supply Bill that the Government has set about rectifying the slackness in administration cost control and direction of the public sector during the 1970s. It has taken hard financial decisions, voluntarily, over the past three years, decisions which other States are now being forced to take whether they like it or not. I support the second reading.

The Hon. K. T. GRIFFIN (Attorney-General): I appreciate the interest that has been shown in this Bill. The matters raised by the Hon. Mr Davis encompass comments not only on the Supply Bill but also on the Appropriation Bill.

The Hon. C. J. Sumner: I think he got his Bills mixed up.

The Hon. K. T. GRIFFIN: It is worth making comments which quite obviously would cover both Bills. The Leader of the Opposition has asked a question about the prospect of supply being sufficient to cover an election period. My only comment is that that is a matter for the future.

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

APPROPRIATION BILL (No. 1) (1982)

Adjourned debate on second reading.

(Continued from 10 June. Page 4530.)

The Hon. C. J. SUMNER (Leader of the Opposition): The first comment I wish to make about this Bill relates to its second reading explanation. I should say that it was an extremely disappointing explanation of the State's financial position from the Premier; in fact, it is impossible to tell anything from the material placed before the Council. The information is insufficient, inadequate and really does not give the Parliament any indication of the true state of the finances of South Australia. When one compares it with the Supplementary Estimates documents and Appropriation Bill introduced at this time last year, one can see how inadequate this present explanation is.

Last year, there was quite a lot of detailed explanation of the situation as we came towards the end of the financial year. However, on this occasion the information is completely inadequate, and I think that that is disappointing. I can only assume that the Government has done this deliberately because it is not in a position to provide the Parliament with an honest appraisal of the situation and because it knows that State finances are in a complete and absolute mess. There does not seem to be any doubt about that fact.

The second thing I am disappointed about is the fact that, in the Budget papers last year, a promise was made by the Government that a separate paper would be presented on Commonwealth-State financial relationships. During this financial year I asked whether an opportunity would be given to debate that issue. I raised this matter during Question Time last week, and there is still no response from the Government and still no paper has been produced on Commonwealth-State financial relationships, despite the fact that this year, of all years, will be a significant one so far as these relationships are concerned.

We have the Grants Commission Review which could affect the financial position of South Australia. We have the continuing operation of the Federal Government's new federalism policy which, again, has not been reviewed in any way by the State. That was a policy honourable members

will recall, which the Liberal Party fully supported in Opposition but which it now complains is inadequate and provides inadequate funds to the State. Again, there is nothing that we are presented with in this financial year to fulfil the commitment given in the Budget papers that there would be a separate document produced on Commonwealth-State financial relationships. That, quite frankly, is unacceptable. It should be unacceptable to everyone in the House, as that issue is of major importance to the State, given that the bulk of capital spending funds comes through the Loan Council and that much of the recurrent funds to keep the State operating comes from the Commonwealth Government.

All I can ask is that that document be made available. It is obvious, at the end of this financial year, that that is not something that the Government is going to do. It has kept the Parliament in the dark over the past nine months on this issue, despite the fact that it made a commitment in the Budget papers that a document would be produced to explain the position.

The next issue I wish to deal with is the question of the deficit mentioned in the second reading explanation and also mentioned by the Hon. Mr Davis. When the Liberal Government introduced its first Budget it said nothing about interstate comparisons, nothing about the national economy, and nothing about the international economy. When in Opposition it did not touch on those matters at all, either, but referred continually to the situation exclusively in South Australia. Now, in the last Budget papers, introduced in September last year, and in this document, it is full of interstate comparisons and is trying to indicate how well South Australia is doing, or, in the words of the Premier, words which I am sure will be immortalised at some time, to indicate how South Australia is going backwards more slowly than the other States of Australia, which was his justification for the appalling performance his Government has put up in its almost three years in office. The point I am making is that, instead of a realisitic appraisal of the economy in South Australia, the Premier has adopted what I suppose is the common political ploy (disappointing perhaps, but common), of blaming everyone but himself for the problems in which the State finds itself.

Of course, I have always maintained that there are international and national factors which operate on the South Australian economy and which make the capacity for movement in South Australia somewhat limited. It does not mean, of course, that the State Government cannot do anything, but its capacity to act is somewhat curtailed by those interstate and overseas factors. That reality did not bother the present Liberal Party when it was in Opposition, nor did it bother that Party in the early days of its administration, but now, because the situation is so difficult and because the State's financial position is, quite frankly, disastrous, the Government relies more and more on the excuse of interstate comparisons and the national and international economy.

Regarding the deficit, it cannot be denied that, under the Liberal Government in the past two years, we have seen the most massive transfer of funds from moneys that are designed for capital works to prop up the running recurrent funds and to keep the Government afloat. That involves the day-to-day running of the Government. In 1980-81, $37 300 000 was transferred from the Capital Account to the Recurrent Account. In 1981-82, the sum was to be $44 000 000, making a total of almost $82 000 000 in two years transferred from capital funds to recurrent funds to prop up the running of this State. As I said, that is quite unprecedented in the history of South Australia, and I inserted in *Hansard,* when the Budget was debated last year, a table that quite conclusively establishes that that is the case.

From the documents that are presented to us for this debate, we cannot ascertain exactly whether that $44 000 000 transfer, which was budgeted for, has occurred, or whether there will be a much greater transfer of capital funds to revenue. But if one looks at the progressive figures that come from Treasury every month, one sees that it appears that already, to the end of April in this financial year, $50 000 000 has been transferred from capital works to revenue. So to the end of April, the Government was already $6 000 000 over and above what had been budgeted for at the beginning of the year. I would have thought that the Hon. Mr DeGaris would be interested in that fact in view of the comments that he has made about this situation.

For the Government to present a rosy picture and say that, in fact, it has come in with a $10 000 000 surplus, or is likely to, as at the end of this financial year, is quite erroneous and misleading, when figures show that the Government budgeted for a transfer of $44 000 000 from Capital Account to recurrent Account and already, to the end of April, $50 000 000 had been transferred. The only way the Treasurer is coming in with a surplus is by transferring funds that should go to capital works in South Australia into recurrent works. Quite frankly, the document that the Attorney-General has produced to this point has to be interpolated, worked on, and calculations must be done. The documents do not come clean with the Parliament or the public of South Australia about the situation, but it appears that about $100 000 000 will have been transferred (as at the end of this financial year) from capital funds to recurrent funds in the past two financial years.

That does not appear in the document that we are now debating. What does appear is a phony figure concocted by the Treasurer to indicate that he has a $10 000 000 surplus. That is a straight-out, misleading, misrepresentation of the true position of the accounts. I am appalled that the Treasurer will not come clean to Parliament. I am appalled that the Attorney-General has acquiesced in the sort of statement that he has presented to the Council. He must know that that sort of transfer has been made, but it is not mentioned in his second reading explanation. In reply I want the Attorney-General—

The Hon. R. C. DeGaris: Do you think that we should go back to submitting two separate accounts?

The Hon. C. J. SUMNER: I do not know whether we need go back to separate accounts. The consolidation of accounts was for the convenience of Parliament when considering and debating the issue, rather than having to consider two separate Bills. As I understood it, the notion of one account was so that Parliament could look at the Budget as a whole and could then debate the Budget as a whole. I do not believe that the merging of the accounts means that a Government can use the money received from the Commonwealth or through the Loan Council for capital works to prop up recurrent running. That was not the purpose behind consolidating the accounts.

The accounts were consolidated to provide for a debate on the Budget which took into account the fact that there were two aspects of the Budget: a revenue aspect and a capital aspect. Since the accounts have been consolidated we have had a situation where there has been an unprecedented, massive transfer of funds, which certainly did not occur to this extent under the Dunstan Government. In fact, whenever there was a substantial transfer it was usually from revenue account into capital works programmes when the Government was attempting to maintain stimulation of the economy.

The Hon. R. C. DeGaris: Not always.

The Hon. C. J. SUMNER: The Hon. Mr DeGaris says, 'Not always.' As usual, I will now have to clarify the situation.

The Hon. R. C. DeGaris: There was a transfer of $6 000 000 from the Loan Fund to revenue one year.

The Hon. C. J. SUMNER: I am aware that there was a comparatively small transfer in one year but, as I said, if there was a transfer it was generally from the Revenue Account to the Capital Account. I refer members to *Hansard* of 27 October 1981 and the debate on the Appropriation Bill (No. 2). I inserted a table in *Hansard* indicating that in 1980-81 there was a transfer from Loan Account to Revenue Account of about $37 200 000, which is part of the $100 000 000 that I have mentioned. Apart from that, there have only been two other transfers from Loan Account to Revenue Account since 1949. In 1978-79 about $5 600 000 was transferred and in 1958-59 about $1 200 000 was transferred. Therefore, from 1949 until the Liberals began this massive transfer from Loan Fund to Revenue Account in 1980-81 there have only been two other occasions that a transfer has occurred. To establish the point that I was making that, generally, there was a transfer from revenue to loan under the Dunstan Government, in 1976-77 about $24 000 000 was transferred from recurrent account to capital works.

In the following year, $3 400 000 was transferred from Revenue Account to Loan Account, and in 1979-80, in which year the Budget was to a fair extent prepared by the Corcoran Government, there was a transfer of $15 000 000. So, the budgetary situation that the Corcoran Government left the Liberal Party in 1979 was such that the Government could transfer $15 000 000 from Revenue Account to capital works programmes. That was a fact, and a year later not only could there be no transfer from Revenue Account to Loan Account but the reverse process started, with $37 200 000 being taken from Loan Account to Revenue Account. In this financial year, that has been exacerbated further. There was a Budget figure of $44 000 000 which, by April this year, had exceeded $50 000 000. So, it is likely that the total transfers over the two-year period will be over $100 000 000, compared with a $15 000 000 transfer the other way, from Revenue Account to Loan Account, in 1979-80.

That is a fairly disastrous position into which the Liberal Government has got this State's finances. Government members cannot deny that: they have bungled the books. There can be no other explanation for this state of affairs. The effect on the building industry in this State and on those jobs that rely on activity in the public sector has been absolutely disastrous.

Let us look at what has happened in relation to the Capital Account over the past few years. In 1978-79, under the then Labor Government, $232 200 000 was provided for capital works programmes. In the following year, during the first nine months of which the present Government was in office, $226 100 000 was provided. In 1980-81, $196 900 000 was provided, so that the amount had decreased from $232 200 000 under the Labor Government in 1978-79 to $196 900 000 by 1980-81.

This year, the estimated figure for spending on capital works is down to $176 000 000. That is, on those figures, a reduction of about $55 000 000, which has been lopped off the money that is available for capital works in this State. Quite frankly, that is a situation about which the Government seems to be complacent. It says that all this slack is taken up somehow or other by the private sector. Presumably, if the Government is to withdraw from these sorts of activity and from providing money therefor, the private sector is supposed to take up the slack. That is economic nonsense and has not happened.

As a result of the Liberal Government's not proceeding with certain capital works, employment in areas where this money would have been spent has been decimated. When Government members talk about the so-called waste and extravagance of the Labor years, they generally talk about three things, namely, Monarto, the Land Commission and the Frozen Food Factory. However, any losses that occurred in those three enterprises over a period of 10 years pales into absolute insignificance when one considers that about $100 000 000 that should have been spent on constructing assets over a period of two years has been dissipated to keep the Government afloat.

Make no mistake, that is exactly what has happened. Assets that should have been built have not been built. If that is not a waste, I do not know what is. If we add up all the so-called areas in which the former Government was supposed to have wasted money, it does not come to anything like $100 000 000. One can only ask the Government what it is going to do about this.

The Hon. Mr DeGaris has already made some comments about this matter. It is interesting to note that the Deputy Premier, when in Opposition, commented on the state of finances. In talking about the transfer of some $5 000 000 or $6 000 000 which the Labor Government made from capital works to recurrent expenditure, Mr Goldsworthy stated:

> That is very poor economics . . . it will have another very adverse effect on the future of South Australia . . . far from seeking to increase our Loan funds for developmental projects, on what are truly Loan projects, and capital development by transferring these funds (the Government is) contracting the provision of Loan funds to this State in the future; that is a very poor economic policy.

That is what Mr Goldsworthy said in Opposition. Yet, as Deputy Premier, he has acquiesced in the greatest transfer of funds in the history of the State. The Hon. Mr DeGaris has been concerned about the issue. He also believes that this is not a situation which can go on forever. In view of the comments made by the Deputy Premier and in view of the obviously disastrous situation in which the State now finds itself in regard to the Budget, what is the Government going to do to try to arrest the continuing transfer of funds from the capital works programme to recurrent expenditure so that the industries which rely on those capital works can be rejuvenated? It is an important question which the Government has not answered in the documents presented to us. However, it is a question which should be answered in the debate tonight.

I referred to the so-called waste and extravagance as referred to by members opposite in relation to a number of Labor projects. The research I have done indicates that over the whole period the loss to the State as a result of the Monarto situation, which was supported fully by the Liberal Party when it was introduced in 1972, was $10 000 000. The loss on the so-called Frozen Food Factory was considerably less than that. The loss which the Liberal Party talked about in regard to the Land Commission has been greatly exaggerated. I indicate the magnitude of the loss of Monarto of $10 000 000 compared with the loss of $100 000 000 lost by the Liberal Party in just two years of Government. It has sunk the State's assets by $100 000 000.

There are a number of other issues I could deal with in this debate. One matter that the Premier referred to when replying to the Leader of the Opposition in another place was the increasing debt burden that the Premier said the Liberal Party had been left with as a result of the activities of the Labor Government. Quite frankly, that is just not true. There was no substantial increase in the debt burden over the 10-year period of the Labor Government.

One really has to ask where the Premier gets his facts in this area of State finances. In reply to Mr Bannon on this Appropriation Bill debate the Premier said:

I point out we inherited a situation where the public debt was exploding.

The Premier said this just last week. What we find is that the Premier, the silly fellow, in fact answered a question on Tuesday 6 April which was as follows:

1. What was the total level of borrowing by the South Australian public sector in 1970-71 and in 1978-79 expressed in constant 1970-71 dollars?

2. Was the rate of growth in total borrowings by the South Australian public sector lower than the average rate of growth of all funds available to the Government sector over the period 1970-71 to 1978-79?

The answer was:

1. Based on Australian Bureau of Statistics definitions and sources State public sector borrowing in South Australia amounted to $89 500 000 in 1970-71. The comparable figure of 1978-79, expressed in 1970-71 prices, is estimated, on the basis of the implicit price deflator for final expenditure on goods and services for all State and Local Government Authorities, to have amounted to $88 100 000.

Rather than the public debt at the end of the decade increasing at a greater rate than at the beginning of the decade, there was, in fact, public sector borrowing which was less than it was at the beginning of the decade. The answer continued:

2. All funds available to the State public sector in South Australia grew at an annual average rate of 17.8 per cent between 1970-71 and 1978-79. South Australia public sector borrowings grew at an annual average rate of 12.6 per cent over the same period.

So, public sector borrowings grew at a lower rate than did all funds available to the public sector. Where the Premier and the Government got the comment that the public debt was exploding when the Liberal Party took over Government, I do not know. That sort of off-hand statement that the Premier makes is characteristic of his dealings and of the way he deals with facts and figures in this area of State finances. Either he does not know just what the situation of the State is, or he deliberately sets out to distort and mislead Parliament about the true state of our finances. That is just one example.

Another matter I would like to comment on is the situation with respect to State taxation. In fact, State taxation taken overall is 27 per cent higher now than it was when the Labor Party left Government.

The Hon. K. T. Griffin interjecting:

The Hon. C. J. SUMNER: Well, that is State taxation. That figure is quite extraordinary when one considers that the Liberal Party is supposed to be a Party of lower taxation.

The Hon. N. K. Foster: What? Who said that?

The Hon. C. J. SUMNER: That is what it proclaims to be.

The Hon. N. K. Foster: Anderson's fairy tales.

The Hon. C. J. SUMNER: I agree that it is a fairy tale; nevertheless, that is what the Liberal Government claims to be. In any event, there have been a number of figures introduced to the Parliament from time to time to indicate the enormous increase in State charges that has occurred over the past two or three years. Those State charges hit everyone in the community equally and are not done on any progressive scale.

Therefore, I will be looking forward to some reasonable response from the Attorney-General on the scrappy Budget document that he has presented to the Council. I shall certainly be looking for more specific figures from him in regard to the transfer of funds from the capital account to the revenue account. I can only reiterate that, in terms of any sensible Budget debate, the documents that have been produced are totally inadequate, and I suppose we will have to wait until the full Budget is produced (and this is another aspect that is disturbing) before we can get some idea of what sort of transfers occurred and what sort of difficult situation the State is in. One can only speculate that the Government has not given us the full facts on this occasion because it wants to conceal the situation in case it decides to go to an early election. That, I believe, is the position: the Government has not produced the information for Parliament and it will not have to produce the information for Parliament until it introduces the Budget sometime in September. As I have said, that is not good enough. I suspect that the reason why the Government did not produce the same detail that it produced on the corresponding Bill last year is for that very reason—it wants to obscure the situation as much as possible and to keep the Parliament and the people in the dark in case it decides to have an early election, for whatever reason. I support the Bill because it is necessary to adjust the Estimates for this financial year, but in supporting it I indicate that I am disappointed with the way in which it has been presented and I certainly want some answers from the Attorney-General on the matters I have raised.

The Hon. K. T. GRIFFIN (Attorney-General): As usual, when it gets down to budgetary matters, the Leader of the Opposition in this place begins his flight into fantasy land and seeks to ignore the facts of life. This Government, amongst other things, is having to carry the responsibility of a liability of the Riverland cannery which in current terms is about $23 000 000; also, the liability of the Land Commission calculated as at 30 June 1981 is $89 000 000; that of Monarto which in 1980 was $15 100 000; Samcor with a liability of about $20 000 000; the Frozen Food Factory with a net liability of the order of $4 000 000 to $5 000 000; and added to that is the S.A.D.C., Golden Breed, Allied Rubber Mills, and a number of other liabilities that have been progressively totted up and carried by this Government since it came into office in September 1979.

The Hon. M. B. Dawkins: All disastrous projects brought in by the Labor Party.

The Hon. K. T. GRIFFIN: We have been over these issues time and time again, but at Budget time it is important to remember that the Budget of this State is carrying those liabilities which were incurred during the life of the previous Labor Government and which have been coming home to roost progressively since September 1979.

The Leader of the Opposition makes some play about the so-called lack of information in the material presented in respect of the Appropriation Bill. The Premier and Treasurer, in another place, did point out that it was difficult, even at the end of April, to have any accurate prediction of what the final figure would be at 30 June, because, even in the last two months of the financial year, there were substantial variations in both income and expenditure, both recurrent and capital, which could have a significant effect on the final result. The Premier did say that, on the current figures available, he believes:

that we could well do better and that the final result on recurrent operations may not vary significantly from the planned result incorporated in the Budget I presented last September.

He went on to say:

The Leader has once again raised the matter of the substantial amount of capital funds used to support recurrent operations. He has criticised that move trenchantly and has expressed concern at the effect on the building and construction industry and on employment. As I have said, we share his concern; we would like to have additional funds available to put into the capital works programme, but what would the Leader have done? What did his predecessor (who seems bent on trying to make some sort of a comeback now) do? He certainly transferred loan funds when it became necessary to do so, but the Leader of the Opposition has.

The Hon. C. J. Sumner: Once, for $5 000 000.

The Hon. K. T. GRIFFIN: Well, he did it.

The Hon. C. J. Sumner: You've done it for $100 000 000 in two years.

The Hon. K. T. GRIFFIN: You will see the final figures when they come out at 30 June. Let me complete the quote from the Premier and Treasurer from the previous debate. He said:

> The Leader of the Opposition has not criticised that. Mr Wran in New South Wales is transferring large sums from his capital works programme to bolster up the extraordinarily large and unexpectedly high deficit on recurrent account which has now been shown. Does the Leader criticise Mr Wran, the Premier of New South Wales? No, he does not. Has he criticised the management of Mr Lowe and Mr Holgate?

Then the Leader interjected. The Premier went on to say, 'No'. He did not enter into that criticism. The Premier and Treasurer, in another place, was referring to the experience of the other States to draw attention to the fact that South Australia is not unique and alone in the transfer of loan funds to meet recurrent expenditure and that, in fact, times all around Australia are difficult, but in this State we have managed better than in other States.

The Premier and Treasurer drew attention to the fact there are certain reserves which have been accumulated which are now being expended to meet some of the needs in the housing industry in particular. He did draw attention to the fact, that for example, the Housing Trust is spending something like $100 000 000 on housing this year; that is a record. The State Bank was making available something like $86 000 000 in the housing programme.

There are other agencies, like the State Transport Authority, which now draw upon reserves, particularly for the construction of the north-east busway and the Electricity Trust of South Australia is drawing on its reserves to expend on its capital works programme. So that whilst there is at the present time a transfer from the Capital Account to the Recurrent Account to meet a difficulty that is common to all States across Australia—

The Hon. C. J. Sumner: Not all.

The Hon. K. T. GRIFFIN: Almost all States across Australia. That is to some extent compensated by the fact of drawing upon reserves in the construction and housing area. Certainly, the Government does not want to continue the practice of drawing on the capital works programme, but it is in a difficult position at the present time. No-one has resiled from that fact and a tight constraint is being kept on Government expenditure to ensure that it does not get worse.

The other matter to which the Premier and Treasurer drew attention to in the other place was the extent to which the difficulty in all Budgets around Australia, particularly ours, has been caused by the cost of salary and wage increases, which have increased substantially across the board in all States. He did indicate that in 1981-82 the full year impact of wage increases would be about $140 000 000. That is an incredibly large amount, which has to be found by the Government, and thus the people in South Australia, in meeting the current expenditure.

The Hon. C. J. Sumner: When do you think you will be able to stop these transfers?

The Hon. K. T. GRIFFIN: I am not in a position to indicate when the practice of transferring from Capital Account to Recurrent Account will cease. To some extent I suppose we might have a clearer indication of that time table after the forthcoming Premiers' Conference because, of course, the Commonwealth's attitude at that conference will have a most significant impact on each of the States, particularly South Australia.

The Hon. C. J. Sumner: Why haven't you produced the paper on Commonwealth-State financial relationships that you promised last year?

The Hon. K. T. GRIFFIN: The Leader asked a question on that last week and I undertook to refer the matter to the Premier and Treasurer and bring back a reply. I have referred it, and as soon as there is a response I will make it available to the Leader. Notwithstanding the Leader's criticism of the Bill, I do at least appreciate his indication of support for it.

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

LIBRARIES BILL

Adjourned debate on second reading.

(Continued from 9 June. Page 4422).

The Hon. ANNE LEVY: This Bill is a complete rewrite of the Libraries and Institutes Act and the Libraries (Subsidies) Act, which have been amalgamated. About one third of the old Libraries and Institutes Act referred to libraries and two-thirds referred to institutes, and the Libraries (Subsidies) Act was concerned with subsidies for the provision of library services. The current Bill perhaps redresses the balance between the public libraries and institutes. The institute libraries still continue, and provide very valuable service in many parts of the State, but their importance in a total library service is declining. The recasting of the legislation reflects this fact.

Since we are looking at the provision of public libraries, it is perhaps worth reminding ourselves of the value of libraries to our community, and comments made by people at various times serve this purpose. George Dawson, when opening one of the earliest free libraries in Birmingham in 1866, stated, 'A great library contains the diary of the human race.' William Godwin, at the turn of the nineteenth century, stated, 'He that revels in a well chosen library has innumerable dishes, and all of admirable flavour.' Shakespeare also recognised the value of libraries: he has Prospero in *The Tempest* stating, 'My library was dukedom large enough.' It is interesting that the idea of public libraries is fairly recent. Thomas Jefferson, in the late eighteenth century, stated:

> I have often thought that nothing would do more extensive good at small expense than the establishment of a small circulating library in every county, to consist of a few well chosen books to be lent to the people of the county under such regulations as would secure their safe return in due time.

This, in Jefferson's time, was a very novel notion, and it was 50 years or so before it was put into practice. Public libraries are such an important part of our society that it is hard to imagine a time when they did not exist and when people had to urge their establishment. I am sure that we would regard provision of libraries as one of the criteria of a civilised society, to be used as a yardstick to measure the progress of any society.

Returning to the local scene, I point out that in South Australia the number of public libraries has been increasing rapidly since the publication of the Crawford Report in 1978. The then Government began a programme of extensive expansion of public libraries. I understand that in the past five years the number of public libraries has increased from 23 to 86, a considerable achievement. About 25 of these libraries are school/community libraries, which service small communities throughout the State. Many more of these school/community libraries will be established as the library development programme proceeds. In recent years we have seen the new innovation of mobile libraries which travel around with books, making library facilities available to people who would have difficulty visiting a library because of their isolation, poor health, inability to travel or simply because of the distance involved.

It can certainly be said that in South Australia today libraries are better utilised than is any other community service except garbage collection. It is true that all households in South Australia have garbage collection, but library services certainly come next in relation to the degree of community usage. In fact, I understand that in no area of South Australia is there less than 45 per cent of the elegible population using a public library; in some areas up to 80 per cent of the eligible population uses public library facilities. Obviously, there is a tremendous demand for library services; no sooner is one established than the demand rises. That is borne out by statistics in relation to the loans which have occurred from our public libraries in recent years. Loans from local public libraries have risen from 7 500 000 items in 1979-80 to 8 900 000 items in 1980-81 and over 10 000 000 in 1981-82. That is a phenomenal growth—19 per cent one year and 12 per cent the next.

However, the tremendous increase in loans from local public libraries has not gone hand in hand with a decrease in borrowing from the State Library. It may have been expected that an increase in local library lending would result in a decrease in borrowing from the State Library. However, that is not borne out by the figures. In 1978-79, over 950 000 volumes were borrowed from the State Library; in 1979-80 over 980 000 volumes were borrowed; and in 1980-81 over 1 000 000 items were borrowed from the State Library. It is apparent that the increase in local library borrowing is tapping a different market from the market catered for by the State Library. The demand for library resources keeps growing. We have certainly reached a stage where all the metropolitan councils, with the exception of the Adelaide City Council and the Glenelg council, maintain their local municipal libraries. The demand in the metropolitan area and in the country keeps growing. However, we cannot pretend that all is rosy with regard to our libraries, and I should like to indicate this by referring to the annual report of the Libraries Board of South Australia from the 1980-81 year, as follows:

> Because of financial constraints, the board was asked to reduce the cost of the services it provides by 3 per cent in real terms during 1980-81. This has not been easy to achieve without adversely affecting the collections.

Later, the report states:

> The thrust of public library development begun in 1978 has continued, even although the funds provided were insufficient to support all of the new services that had been approved by the Treasurer for the year.

The Hon. C. M. Hill: What are you quoting from?

The Hon. ANNE LEVY: I am quoting from the annual report of the Libraries Board of South Australia for 1980-81, which is the most recent report available. It also states elsewhere:

> The year has been marked by great uncertainty in the area of staff recruitment and maintenance . . . Vacancies in promotional positions are delayed for months before being circularised by the Public Service Board. Several more months usually elapse before appointments are eventually made.

Elsewhere, discussing the South Australian collection in the State Library, the report states:

> The collection's reference function (and that of the reference library in South Australian subjects) continues to be severely limited by a huge backlog of minor South Australian items awaiting cataloguing. This backlog, which continues to worsen, makes it impossible for staff to assist researchers effectively and for the collection to make a comprehensive serious contribution to the State's preparations for the sesquicentenary and the Australian bicentenary.

In regard to the reference library, the situation is nothing short of drastic, and in this respect I again refer to the Libraries Board report, as follows:

> The number of titles ordered decreased dramatically: only 4 143 titles were ordered in this financial year compared with 5 400 titles in 1979-80 and 7 198 titles in 1978-79. If the State is to continue to provide an up-to-date reference and information service, more funds must be made available for the purchase of library materials.

Discussing the youth lending service of the library, the report states:

> The cassette and postal loans from this service were not as high as in the previous year due to lack of funds for maintaining popular new material. Reservations remain unfilfilled because there were insufficient funds to purchase duplicates of heavily requested titles.

Finally, regarding book selection, the report states:

> Severe cuts in allocation of funds have resulted in a decrease in numbers both of titles and volumes purchased from the branch. Few new titles were purchased for the ethnic collection.

This is clearly a picture of the Libraries Board being starved of funds, and of our State Library running downhill and offering a poor and deteriorating service in terms of its collection, staffed by overworked people who cannot cope with the increasing demands put on them.

The figures I have quoted indicate how the demands made on the libraries by the public have been increasing. However, the staff provided for the libraries has been decreasing. In our State Library Lending Service in 1980-81 there was a full-time equivalent staff of 101 individuals. By 1981-82 there were 97 individuals—an increase in work, a decrease in staff. The centralised staff who service local public libraries in 1980-81 numbered 71 full-time equivalents. In 1981-82 there were only 67½ full-time equivalent staff. It is the same story of deteriorating standards.

An area of great importance is that of the subsidies provided to our local libraries by Treasury. The current Libraries (Subsidies) Act contains guidelines for the provision of these subsidies, stating that they are provided to a maximum of a $1 for $1. This ceiling is removed in the legislation before us in the section dealing with subsidies, which will give greater flexibility where this is required. I understand that the move has been welcomed in many areas. It will enable some struggling libraries to be given more than $1 for $1 but it must be realised that wherever that occurs there will be less than $1 for $1 in other areas. However, the greater flexibility provided is certainly welcome.

The legislation before us does not in any way prohibit charging by public lending libraries. Clause 7 of the Bill sets out the objectives for a library service in this State, and I certainly welcome the inclusion of those objectives. It does indicate that the library services include the lending of library materials without a direct lending charge, and this is very much welcomed as a statement of intent. However, it does not exclude the charging of a fee for the lending of library materials, which could still occur. I feel very strongly that lending libraries should be free, lending to any member of the public. I am referring to the lending function of the library and not necessarily to the provision of all services by a library. Quite obviously, if a library provides a photostatting service, people can be asked to pay for that as it is not a matter of lending material which will be returned. I will certainly be suggesting at a later stage an amendment which will make clear that public lending libraries should be provided to all citizens of the State free of charge.

Information is not something for which a charge should apply. It should be a freely available right of all individuals to obtain information, recreation and educational material that libraries can provide. I understand that, despite the drastic shortage of money from which our library services have been suffering, as evidenced in their annual report, the money they receive may well be about to be cut further.

I would be surprised if the next Budget makes any allowance for inflation in the provision for libraries. I know that already there are four metropolitan councils receiving less than $1 for $1 subsidy for their local library. These are the

councils which run the large lending libraries in Brighton, Burnside, Elizabeth and Tea Tree Gully. One wonders how many more local libraries will suffer similar cuts and whether or not local councils will be expected to find more than 50 per cent of the cost of providing this service.

I will certainly ask the Minister whether he will make a commitment to maintain the real level of spending on libraries in this State. Even if he does, there will still be the question of how new libraries can continue to open, according to the planned development, without cutting funds for existing libraries. Unless the total budget for libraries is increased in real terms, any new libraries must mean a cut in funds for existing libraries.

I understand that in the preparation of this legislation there has been a certain amount of consultation with the various bodies involved. The Local Government Association has certainly been consulted, and I understand it is in complete agreement with the Bill before us. That association is to be directly represented on the Libraries Board and there will be three people from local government on the Libraries Board out of eight individuals. This is a due recognition of the contribution which local government is making to the provision of public libraries in this State at this time.

I also understand that the staff involved in the libraries has been consulted regarding the provisions of the new legislation. However, there is no mention within the legislation of the provision of a representative from the libraries staff on the Libraries Board. I will certainly be moving an amendment to that effect. I am sure that the Minister will readily acknowledge that there is currently a staff representative on the Libraries Board and that there has been for a number of years. Such an individual is not there by right, and is there only because the Governor, through the Minister, appointed such a person to the board.

I feel that it would be highly desirable to regularise this situation by writing into the legislation that a staff representative should be a member of the Libraries Board. It would be a due recognition of the very valuable contribution which the staff representatives have made to the board and which, I am sure, they will continue to make in the future.

The third group which has been consulted in the preparation of this legislation is the Institutes Association. I am slightly disturbed by the newsletter from that association which I received a few days ago. In the newsletter the association discusses the preparation of the legislation before us and indicates that it was first forwarded a draft copy of it in January of this year. The association has made submissions and had subsequent consultations with the Minister, but the following comment is made at the conclusion of the paragraph:

> The Minister wishes to introduce the Bill into Parliament within the next two or three weeks [which he has done] following which it will remain lying on the table for a period of time to enable public comment. The exact details of the new Act are still confidential, but following the introduction into Parliament, further information will be supplied to institutes.

This matter concerns me as it is obvious that the Institutes Association expected there to be a considerable period after the legislation became public before it would be considered, so that it would be able to consult with the institutes.

The Hon. C. M. Hill: That was in January, wasn't it?

The Hon. ANNE LEVY: No, this was in May 1982. The association expected the legislation to lie on the table of Parliament for a period to enable public comment to be made. However, this legislation was first brought in last Wednesday, less than a week ago, and the Minister wishes to get it through both Houses of Parliament by Thursday of this week. This is hardly letting it lie around for public comment. No doubt, the Institutes Association will have no opportunity to circularise its members with more particulars and will have no chance to react with any comments that it wishes to make; it is likely to find that the Bill has passed all stages of both Houses before it has barely been aware that the legislation has been introduced. I ask the Minister why there is the great hurry in this situation.

The Hon. C. M. Hill: We've been trying to do this for over two years.

The Hon. ANNE LEVY: It may have taken a long time before reaching Parliament, but these people were obviously under the impression that there would be no hurrying the legislation through Parliament and that there would be considerable time for consultation and discussion after the legislation became public.

The Hon. C. M. Hill: There has been over two years for consultation, and still you are not satisfied.

The Hon. ANNE LEVY: In reply to the Minister's interjection, I was quoting remarks from the Institutes Association. The Institutes Association expected the Bill to lie on the table of Parliament for a considerable period to enable public comment to be made. I ask the Minister in all sincerity why, when the Bill finally sees the light of day in Parliament, it has to be rushed through all stages in both Houses in one week.

The Hon. C. M. Hill: It doesn't have to be.

The Hon. ANNE LEVY: There is certainly not the time for public comment.

The Hon. C. M. Hill: If you want to delay it, just say so. Does the honourable member want the Bill passed or does she not? I would like to know.

The Hon. ANNE LEVY: I am not in control of the business of the House; it is the Government that decides which items on the Notice Paper are brought on. There are two very important new matters in this legislation, matters which have not previously appeared in legislation concerning libraries. The first concerns the fact that any bequests or gifts that the Libraries Board might receive will be under the control of the board and not under the control of the Minister.

This clause has been put in because there is also a new clause in this legislation providing that the board 'shall be subject to the control and direction of the Minister'. However, this control will not extend to bequests or gifts which the Libraries Board receives, quite understandably, as if any monetary gift was not under the control of the board in this way it could be regarded as a gift to the Treasury rather than a gift to the library, which was not, I am sure, what the donor would have intended.

The second very important matter is that in the same clause it is made quite clear that, although the board is subject to the control and direction of the Minister, the Minister may in no way impose censorship on the library as to the nature, content or regulation of library collections; in suppressing the dissemination of information; or in 'preventing or controlling access by the public to library materials at times when the libraries in which those materials are stored are open to the public'. So that, although the Minister may very properly give directions to the board as to the policy and guidelines for libraries, he in no way can censor the materials which the libraries will keep. I am sure we would all welcome this denial of the power of censorship and agree that the Libraries Board should be able to run its own affairs in this regard, using its professional judgment with no other criteria being able to enter into its decisions.

The Hon. C. M. Hill: Are you actually giving the Government a compliment?

The Hon. ANNE LEVY: I am very much welcoming this clause, and I am sure that the lovers of libraries will endorse my remarks. These two points are really the only new provisions in the legislation. It has been stated to me that the legislation has really nothing in it which is particularly

new or interesting. I would agree that this legislation is perhaps not earth-shattering nor an illuminating flash on the world library scene, but it obviously is very important legislation, and apart from the two amendments which I have indicated I will move in Committee it has our complete support.

The Hon. C. J. SUMNER (Leader of the Opposition): I enter the debate because of my interest in library matters and, in particular, because a few days ago I asked a question in the Council of the Minister about the situation in the State Library. The Minister replied to that question (which I asked on 3 June) on 9 June. In my question I indicated that a crisis situation had developed in the library in that it required the Government to act immediately. There is no doubt that there is still a crisis situation in the library, the Government has not acted immediately and the problems still occur.

I would like to respond to some of the matters the Minister mentioned in his reply—a reply which I must say was inadequate; it glossed over many of the problems that currently exist in the library and tried to make out that there were no problems or difficulties, suggesting that everything was all right.

The Hon. C. M. Hill: I said that we were overcoming them.

The Hon. C. J. SUMNER: Yes—in relation to computers. However, in relation to other matters, the Minister gave the impression that there were no difficulties. What I would like to raise, first, is the question of the reference service, which is not to be available for loan from 1 July. I said in a previous question that I was not opposed to that position—that the reference service was not to be available for loan. However, the problem that is going to arise is that there will be increased pressure on the ordinary lending service. I understand that facilities and extra resources were to be made available to the lending service in terms of staff and books to cope with the increased demand that would be made as a result of stopping the loan of books from the reference service.

The Minister chose not to answer that aspect of the question at all; he completely ignored it. It appears that there will be an inadequate stock of adult technical material available for loan as a result of this change in policy. I want to know from the Minister just what he has in mind in that respect. One of the other issues the Minister dealt with was the discontinuance of the 'tattletape' surveillance system. The Minister said that, on professional advice, this system had been discontinued because it was not considered effective in terms of staff time and employment; it is supposed to cut down on pilfering of library books. I understand that the librarians and professionals in the library repeatedly objected to the discontinuance of this system without a satisfactory replacement by some other system. I believe that the Minister has not adequately dealt with that matter.

How will pilfering be prevented? Pilfering is expected to increase as a result of the discontinuance of this surveillance system. I am instructed that there is nothing to stop people walking out with an armful of unissued lending service books. By abandoning such a publicly obvious security system (which I understand was only recently installed), the library will, in effect, be advertising to the world that it is open slather for pilferers, because there will be no alternative surveillance system. The Minister's response to that was quite inadequate. There was no professional advice given that the system should be discontinued. If there was, it was certainly not professional advice from people who know something about the library. When one comes to the Minister's response about rosters and staff, one sees that he said that the new system of rostering and staffing had been dealt with through lengthy consultation and discussion with staff, and prompt action by the department.

When one looks at the situation in regard to library staff, one sees that, disappointingly, the staff numbers have been run down. There have been staff cuts for some time. In August 1977, there were 27 full-time clerical staff; in June 1982, there were 14 full-time clerical staff and eight permanent part-time staff (four full-time equivalents) plus six temporary staff who had been employed for six months only as a result of the industrial problems that were recently provoked in the library. So, even if one takes the 1982 figure as 24, with four full-time equivalents of clerical staff, there are still three less than in 1977. Indeed, there is no indication of what will happen to the six temporary staff who were recently employed as a result of the industrial action. There must be a response in that regard.

I now refer to a serious matter about which I believe the Minister gave the Parliament misleading information. The Minister indicated in his reply that there was no intention that the lending services be transferred to the Adelaide City Council, but that the council desires to contribute towards the costs of these services or other library services. The Minister gave that answer a few days ago, but I would like to know the status of a circular from Dr McPhail, involving proposals that apparently are floating around the Minister's department.

The Hon. C. M. Hill: To whom?

The Hon. C. J. SUMNER: To the library staff. It stated:

> The Libraries Board be asked to consider that the lending services be transferred within four years to the Adelaide City Council to coincide with the fulfilment of the library development plan.

That circular was sent around in December 1981, so at that time the Government's policy was apparently to ask the Libraries Board to transfer the lending services of the State Library to the Adelaide City Council. But the Minister says now that that is not on: there is no suggestion that that will be done. It was suggested some six months ago to the staff that that would happen, and it might be interesting if the Minister confirms what is the position in relation to that matter.

The Hon. C. M. Hill: I gave you the answer.

The Hon. C. J. SUMNER: The Minister gave an answer, but it is clear that there is still some doubt, because a few months ago a circular stated that the Libraries Board will be approached in regard to transferring the lending services to the council. The Minister, in his reply, tried to indicate that everything was sweet in regard to services for country borrowers and housebound people. The Minister stated:

> The honourable member raised certain questions relating to the services to country borrowers and to the housebound and those in special need. I assure him that no policy decision to suspend these services has been taken, or is contemplated. Where a public library is established, these responsibilities are normally transferred.

It may be that no policy decision to suspend the service has been taken but, in fact, the present services are ineffective and virtually inoperative.

The Hon. J. C. Burdett: That's rubbish.

The Hon. C. J. SUMNER: How does the Minister know that? He does not know anything about the library.

The Hon. J. C. Burdett: Yes, I do.

The Hon. C. J. SUMNER: I assure the Minister that that is the position, and I will indicate why.

The Hon. J. C. Burdett: I know that the library operates perfectly well.

The Hon. C. J. SUMNER: It does not operate perfectly well, because no new housebound borrowers are being accepted at present. Did the Minister know that?

The Hon. J. C. Burdett: No.

The Hon. C. J. SUMNER: That is the situation.

The Hon. J. C. Burdett: If one goes to the library, it works perfectly well.

The Hon. C. J. SUMNER: How do the housebound get to the library?

The Hon. J. C. Burdett: That's another matter. If one goes to the library, it works perfectly well. It's not in chaos.

The Hon. C. J. SUMNER: I do not think that the Minister has been listening. I was referring to services for country borrowers and the housebound. No new housebound borrowers are being accepted at the moment. There is a waiting list of people who are waiting for housebound community service.

The Hon. Frank Blevins: And we call ourselves a civilised community.

The Hon. C. J. SUMNER: That is correct. The disadvantaged in the community are being discriminated against because of a lack of funds and staffing for the library. Regardless of whether or not the Hon. Mr Burdett likes it, that is the situation. The councils of Kensington, Norwood and Glenelg have been told that from September this year they will receive no further service from the State Library of South Australia, despite the fact that those councils do not have their own libraries and will have to look to neighbouring libraries to supply a service. The councils in those three municipalities are to be denied services from the State Library.

There is a backlog of over 400 country borrowers and many of them have been waiting for service for three months, since mid-March. The Minister of Community Welfare said that there was no problem in relation to country borrowers or the housebound.

The Hon. J. C. Burdett: I did not say that at all.

The Hon. C. J. SUMNER: The Hon. Mr Burdett interjected when I made this point. The Minister of Community Welfare is confused. I was referring to a cut in service to country borrowers and to the housebound. The Minister interjected and said that that was a lot of rubbish. I have just given the Council a series of facts which indicate that what I have said is not rubbish. The Acting State Librarian sent a memo to country borrowers as follows:

> I wish to apologise for the long delay in the appearance of this parcel. Owing to acute staff shortages we have been unable until this point in time to attend to your request for books. I am hoping that this selection meets with your approval and that there are no further delays.

What is the Acting State Librarian telling country borrowers when explaining the three month delay in the despatch of books? He is saying that because of an acute staff shortage he is unable to meet the request for books. The Hon. Mr Burdett told the Council by interjection that there has been no cut in services and no cut in staffing.

The Hon. J. C. Burdett: I did not say that.

The Hon. C. J. SUMNER: That was the effect of the Hon. Mr Burdett's interjection. Admit to the Council that there has been a cut in staffing; admit to the Council that there has been a cut in services; and admit to the Council that country people, the people that the Hon. Mr Burdett should be representing as someone who is supposed to live in Mannum, cannot obtain books for three months because, on the admission of the Acting State Librarian, there is an acute staff shortage.

The Hon. J. C. Burdett: I do not live in Mannum.

The Hon. C. J. SUMNER: Where do you live?

The Hon. J. C. Burdett: At Banksia Park.

The Hon. C. J. SUMNER: The Hon. Mr Burdett used to live at Mannum. The Hon. Mr Burdett has scuttled his constituents in the country and has come to the city for a cushy life. I would have thought that the Hon. Mr Burdett would have been concerned about country residents who are clearly being discriminated against because of the lack of services and staff in the State Library. In fact, I believe that the attempt now being made to catch up on this backlog is because I raised this matter publicly in the Council and obtained some publicity. Before that time nothing was being done and there was a three-month waiting list for country people.

So, the situation clearly is that, despite my question and the Minister's fairly bland reply, there are in the State Library still considerable problems that have not been resolved by the Government. It would appear that they have their genesis in staff cuts, inadequate staff and services, and also in problems with surveillance and other aspects of the library to which I have referred.

Primarily, it would appear that the service that has traditionally been provided by the library is not now being provided, and I think that what I said before is true. My information is correct, and it is clear that there is a crisis situation in the library. The Minister ought to take immediate action to try to resolve it, and he should certainly give us some assurances on the matters that I have raised this evening.

The Hon. C. M. HILL (Minister of Local Government): I will deal briefly with the comments that have been made by the two Opposition members who have contributed to the debate. The Hon. Miss Levy's contribution began with a criticism of the reduction in funding to the library. I think that she specifically mentioned the 1980-81 year. I point out that any constraints that were placed on funding in that year were the same as those imposed on all Government departments. The Government at that time was faced with a situation in which it had to reduce its funding to departments, and the library did not suffer any worse than did any other department.

Dealing with the rate of provision of new library services, I can only say that it has kept reasonable pace with the Crawford Report of 1978. Indeed, I am rather proud that, despite the difficulties with funding for library services, the plan of the Crawford Committee has, in nearly all respects, been adhered to thus far. It is proving, as all honourable members would agree, to be a very successful plan indeed.

Reference library material has increased in cost from about $7 an item to $23 an item. Naturally, in a climate of some financial restraint, costs like this become very worrying, and all State libraries have suffered from the same problems because of the rapid increase in the cost of materials.

I point out that the funding for the public library in the current 1981-82 year has been $3 900 000, and that, I suggest, is a lot of money. When Opposition members make claims about the reductions in funding, it is well for them to remember that the sum of money that is given for the provision of these public library services is almost touching the $4 000 000 mark this year.

The honourable member asked me for some commitment regarding future funding. However, she knows as well as I do that the funding for the next financial year is a part of our budgetary considerations and that no disclosures can be made at this time regarding those issues.

The Hon. Miss Levy then tried to build up a case whereby some undertaking was given to the Institutes Association regarding consultation. I assure the honourable member that, although a circular did go out indicating that this Bill might lay on the table for a certain time, a great deal of consultation took place. As I sense the mood of the Institutes Association, the Libraries Board and the Local Government Association at present, as well as that of the staff, it is that they want this new legislation to pass as quickly as possible. That is why the Government is doing its utmost but, because of further consultation, there have been delays in getting the Bill to this point. At least it is in Parliament now and

there is some possibility that we may be able to pass the legislation this week although that is by no means a certainly because of the difficult programme that confronts Parliament in the next few days. Difficult consultations were held with the institutes and further amendments were made in recent times following those discussions.

I can well recall having the President and the Chief Executive Officer of the association in my office when we went through with a fine tooth comb all the thoughts they had in mind and the proposals which they wanted to further discuss with me. In regard to the matter of the reference library, duplicate copies of popular reference material will be purchased for the lending services. I think that is sufficient answer to the Hon. Mr Sumner, who was jumping up and down a few moments ago bemoaning the fact that some change would take place.

The Hon. C. J. Sumner: The change occurs on 1 July.

The Hon. C. M. HILL: That is true. The duplicate copies of popular reference material will be purchased. I do not think there will be a great gap.

The Hon. C. J. Sumner: Will they be purchased before 1 July?

The Hon. C. M. HILL: Some may be and some will be immediately after that. There is no need for the honourable member to panic in regard to that matter. He also panicked in regard to the tattle tape reply which I gave him a few days ago. The honourable member's informant may well have expresseed the opinion that the honourable member echoed in this Chamber tonight. However, the view of the senior professionals in the library was that which I gave to this Council. I would prefer to listen to their views than to listen to the views of the Leader's informant from within the library staff. In regard to the Adelaide City Council—

The Hon. C. J. Sumner: How do you know? Don't make accusations like that.

The Hon. C. M. HILL: The Leader should deny that he obtained information from a member of the library staff. In regard to the matter of the Adelaide City Council, what the honourable member has said tonight was the view of the State Library review working party chaired by the Chairman of the Libraries Board. However, that position was clarified in later discussions. The answer which I gave in regard to the Adelaide city Council two days ago is the current situation in regard to the original proposal.

The Hon. C. J. Sumner: You have overruled the policy which Dr McPhail had in September last year.

The Hon. C. M. HILL: We have not overruled anyone's policy. The whole policy-making process has been an issue of consultation. Naturally, when one is frank and when one discusses alternative views, there are opposite viewpoints on the same subject that are considered and provided for in general discussions. The honourable member can grasp upon some document which his informant has provided for him and try to make a big issue of it but really it is not important. I stated the Government's situation a few days ago. That is the present situation.

The Hon. C. J. Sumner: Is it going to make any change in the near future?

The Hon. C. M. HILL: I have no knowledge of any possibility of it changing at all. There will always be some continuing liaison, I hope, with the Adelaide City Council. We may see the time when the Adelaide City Council takes a bigger involvement in the lending services at the State Library just in the same manner as local government elsewhere is involved in lending services for their respective local communities.

[Midnight]

The Hon. D. H. Laidlaw: And we are a Government of progress, too.

The Hon. C. M. HILL: Of course, one has to make changes. One cannot live in the past, dwell on history and bemoan situations because there has been some change. Regarding one of the last matters stressed by the honourable member, I have no knowledge of the State Library not providing services to the housebound in areas such as Kensington, Norwood, Glenelg and Adelaide.

The Hon. C. J. Sumner: Anywhere. It is not taking any more.

The Hon. C. M. HILL: But the other areas are served by public libraries. The honourable member does not even know why his informant gave him those specific suburbs. The reason why his informant gave him those suburbs is that these areas which are not served by a public library service—

The Hon. C. J. Sumner: It is not taking any more applications from the housebound.

The Hon. C. M. HILL: I think that the honourable member's informant may have been a little off beam. The last point I will mention deals with country borrowers. The honourable member suddenly decided to wave a banner and march at the head of the army supporting the country people. It is rather pleasing to hear in this Chamber that somebody from the Labor Party is supporting the country people. The adult lending services to country borrowers and gaols have been reduced because of staff shortages and computer training. However, staff are rapidly catching up, and it is expected that all services should be back to normal within a fortnight. Children's country mail has continued as a first-class service.

In view of the fact that the department generally has taken a battering from the Leader of the Opposition in recent times, it is about time that we all pulled together, acknowledging that there have been difficulties in the library but acknowledging also that considerable change is taking place. On Thursday I am formally opening the computer at the library and that—

The Hon. C. J. Sumner: You're game.

The Hon. C. M. HILL: The Leader says that I am game. There again, he has a very intimate knowledge from just one or two people who work in the library who are inclined to blend politics with their Public Service responsibilities. However, that is life; we are prepared to live with that and the library computer will be formally opened. That measure, together with the new legislation before us and changes at the senior staff level which are in the course of taking place and the many other changes which are in train, will bring a new era, as I have said before, to the State Library. I hope that within a matter of weeks these problems, which are almost ironed out now, will be behind us and that we will not then hear very much more criticism, as has been voiced in this Chamber in recent times in regard to the library.

Bill read a second time.

In Committee.

Clauses 1 to 8 passed.

Clause 9—'Membership of the board.'

The Hon. ANNE LEVY: I move:

Page 4, lines 5 to 7—Leave out subclause (2) and insert subclause as follows:

(2) Of the members of the board—

(a) three shall be members or officers of councils and of these two shall be nominated by the Local Government Association of South Australia; and

(b) one shall be an officer or employee of the Crown engaged in work related to the operation of libraries and chosen at an election conducted in accordance with the regulations in which all officers and employees of the Crown engaged in such work are entitled to vote.

I have already indicated the thrust of this amendment by agreeing that the board should consist of eight members and agreeing that three of those members shall be members or officers of councils. The Opposition feels that one of the eight members should be a member of staff, elected by the

staff. I am sure that the Minister would agree that the current staff representative on the Libraries Board has provided a very valuable contribution to the work of the board.

There have been staff representatives on the board for a number of years, and I presume that the Minister agrees with this policy, as while he has been Minister he has continued the practice of having a staff member on the board. Therefore, I would hope that the Minister would agree that, in view of the valuable work that is done, the provision of one of the eight places for a staff member should be written into the legislation in recognition of the valuable contribution that such members have made.

The Hon. C. M. HILL: The Government cannot support the amendment, simply because we believe that it is not necessary to put the provision in the Statute. It is up to the Government of the day to adopt a policy to include an employee representative on a board. That is in accordance with the present Government's general approach to its policy on employment involvement. The Government believes that, if there is a genuine desire by employees to seek and hold positions on a board, then the Government should be responsive to that request. This is contrary to the Opposition's view, which maintains that policies be implanted by legislation upon such boards, saying, in effect, 'You must do this.' Because it was obvious that the staff at the Library wanted a representative on the board, because it has been previous practice, I was quite prepared to allow that practice to continue when a short time ago there was an election for a staff representative on the board.

Indeed, for the first time I introduced the same policy in regard to the South Australian Museum: there, over a period of a couple of years, the staff has been making representations to me concerning its wanting a representative on the board. Therefore, there has been this groundswell of staff opinion for an office of this kind. The Government said 'Yes, by all means,' and we appointed a staff member to the Board. The Government did not need a provision as part of the law. Why clog up the Statute Book with a statutory requirement for which there is simply no need? The objective which the honourable member wants has really been fulfilled; the honourable member wants someone from the staff on that board, and there is now someone from the staff on the board owing to the voluntary action of the present Government. For those reasons, I cannot support the amendment.

Amendment negatived; clause passed.

Clause 10—'Terms and conditions of membership.'

The Hon. ANNE LEVY: I will not proceed with my amendment to this clause since it is consequential on the amendment that has just been negatived.

Clause passed.

Clauses 11 to 18 passed.

Clause 19—'Borrowings.'

The PRESIDENT: This clause, being a money clause, is in erased type. Standing Order 298 provides that no question shall be put in Committee on any such clause. The message transmitting the Bill to the House of Assembly is required to indicate that this clause is deemed necessary to the Bill. Debate on the clause is deferred until such time as the Bill is returned by the House of Assembly with the clause inserted.

Clause 20 passed.

Clause 21—'Subsidies, etc.'

The Hon. ANNE LEVY: I move:

Page 7, after line 26—Insert subclause as follows:

(2) Where charges are made in respect of the lending of library materials from a public library (not being a library administered by an institute) the amount or value of a subsidy or other assistance to be provided under this section in respect of the maintenance of the library and the provision of public library services from the library shall be reduced by the amount of the total estimated revenue to be derived from the making of the charges over the period to which the subsidy or other assistance relates.

As I indicated in the second reading debate, the Opposition feels that it is most undesirable for public libraries to charge fees for lending any material. There have been reports in the press of at least two local government bodies in South Australia that have considered charging fees in their public libraries. This seems totally contrary to the whole philosophy of providing free public libraries as one of the necessities in a civilised community. As I indicated earlier, the objectives of the administration of the libraries mention that library services include the lending of library materials without direct lending charge but, however, do not preclude the charging of fees.

As I understand it, the Government is of the same view as is the Opposition, that public libraries should be available to all citizens without charge. One does not wish to be Draconian to councils and insist that they do not have the power to charge fees in their libraries should they wish to do so. However, by means of this amendment it can be suggested to councils that, if they do charge fees for lending material in public libraries, it will not ultimately be of any benefit to them, because whatever they recover from fees will be subtracted from the subsidies which they receive from the Government.

In this way the Government can express its disapproval of a council's charging fees without necessarily prohibiting it from doing so but merely making it clear that it will not be to its benefit to do so. I had thought of suggesting that if any charges were made the council would lose the entire library subsidy, but this could result in a penalty far greater than the money received; it seemed that perhaps this was a little too drastic. This clause suggests that a council will not benefit materially if it does charge a fee, as such moneys would be deducted from the subsidy which it would otherwise have received from the Government. While the clause may look fairly complicated, it is really an expression of what I am sure is the Parliament's intention that public libraries should be free for all citizens.

The Hon. C. M. HILL: I think clause 7 makes perfectly clear that it is the intention of the Bill that the library service be free. Certainly, that was the Government's intention in preparing the measure. However, the Hon. Anne Levy has introduced this rather complex amendment, I gather to try to ensure that that is going to be the situation. Whilst I do not see the need for it, I do with some reluctance accept it.

Amendment carried; clause as amended passed.

Clauses 22 to 29 passed.

Clause 30—'Exemption from land tax.'

The CHAIRMAN: This is also a money clause and the same procedure as applied for clause 19 will apply.

Remaining clauses (31 to 34), schedule and title passed.

Bill read a third time and passed.

ADJOURNMENT

At 12.18 a.m. the Council adjourned until Wednesday 16 June at 2.15 p.m.