LEGISLATIVE COUNCIL

Wednesday 1 June 1983

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

PAPERS TABLED

The following papers were laid on the table:

By the Attorney-General (Hon. C.J. Sumner):

Pursuant to Statute—

Adelaide Festival Centre—Report 1981-82.

By the Minister of Health (Hon. J.R. Cornwall):

Pursuant to Statute—

Planning Act, 1982—Crown Development Reports by South Australian Planning Commissions on—

Proposed Erection of a Dwellinghouse on River Murray Commission land adjacent to Mundoo Barrage

Proposed Development at Upper Sturt Primary School.

Proposed Development at Millbrook Primary School.

Proposed Erection of a residence at Salt Creek for Ranger at the Coorong National Park.

Proposed Development at Hundred of Yatala.

By the Minister of Agriculture (Hon. Frank Blevins):

Pursuant to Statute—

Department of Mines and Energy—Report, 1981-82.

QUESTIONS

WHYALLA HOSPITAL

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before asking the Minister of Health a question about the Whyalla hospital.

Leave granted.

The Hon. J.C. BURDETT: I have been informed that the Whyalla Hospital Board has purchased the home at 66 Broadbent Terrace, Whyalla, from the former Chairman of the Whyalla Hospital Board, Mr Terry Reilly, for $68 000. According to information provided to me, Mr Reilly purchased the house in 1972 for $11 750. I am informed that in 1980 it had an assessed capital value of $32 000. I am also informed that the hospital board sought permission from the Health Commission to buy the house for immediate use as a facility for paramedical staff and eventually as a house for the medical superintendent.

The Health Commission, so I am informed, agreed to the purchase and made an additional allocation of $68 000 to the board to complete the purchase. I am told that the house is now occupied by a member of the hospital staff. Information available to me suggests that the purchase of the house was not carried out through an estate agent but under an agreement between Mr Reilly and the board.

Also, I am told that the house first went on the market late last year and, although it was placed with two real estate firms in Whyalla, Mr Reilly had difficulty in finding a buyer. At one stage he declined an offer of $50 000 for the property. One of those agents expressed surprise when he found yesterday that the house was occupied and that he had not been told about it or told that the house was sold. People involved in the real estate industry in Whyalla have told me that more than 100 houses are for sale in Whyalla.

I understand that, since leaving Whyalla, Mr Reilly has been appointed to the board of the Royal Adelaide Hospital by the Minister. People aware of the purchase of the house have told me that the board had no intention of buying such premises when it formed its budget last year, and they have expressed the view that the commission appears to have given Mr Reilly preferential treatment by allocating taxpayers' money in this way. Other people have indicated that there may be a disparity between the value on the property by the Valuer-General and the final sale price. Therefore, I ask: was the Minister aware of the purchase? If he was, is he satisfied as to the propriety of the purchase? What was the valuation placed on the house by the Valuer-General? Was the purchase price recommended by the Valuer-General?

The Hon. J.R. CORNWALL: The shadow Minister will have to do much better than that if he wants to emulate my performances in Opposition. That would have to be the beat-up of the month. I am also amazed that he is openly being critical of the hospital administration itself. I first became aware that the board had purchased this house when I was travelling in the area about 10 or 11 days ago. I understand that the purchase occurred in April. I was told of it some weeks later. It is not a matter in a $535 000 000 budget about which I would have concerned myself. There is no evidence of any irregularity whatsoever. The valuation put on Mr Reilly's house by the Valuer-General was $61 000. It is my information that the actual purchase price on the documentation that I was given this morning is $60 000. In fact, the board—I stress the board of management of the Whyalla Hospital—paid $60 000 for a house valued by the Valuer-General at $61 000.

As to whether I was aware of the purchase, certainly not at the time. It is not my intention to drive myself mad by going into every nook and cranny. As I said, it is a $535 000 000 budget in the health area—we have about 20 000 employees. To put this matter in context, the real estate and stock involved in the health area is $2 billion, so the Council should see the $60 000 in that context as to whether I should personally be involved.

The Hon. J.C. Burdett: It is the circumstances and not the amount in question.

The Hon. J.R. CORNWALL: If the honourable member wants to be critical of the Whyalla Hospital Board, he should stand up and say so. There was no irregularity. The house came on the market and was valued at $61 000 by the Valuer-General. I hasten to point out that the Whyalla Hospital Board has been used by me as a model of the way in which hospital boards should work. That board, arguably and consistently, has been the best hospital board in South Australia. It ill sits upon the honourable member's shoulders to be critical of that board, and he ought to be ashamed of himself. In fact, the purchase price was $60 000 and the Valuer-General's price was $61 000.

As to whether additional funds were made available or not, I cannot answer off the top of my head, but it is quite possible. Let me give another case in point: we have just purchased a house at Port Augusta for the Area Co-ordinator—a perfectly normal business transaction. I think that the purchase price of that house was $60 000. It is intended that there will be a full-time Medical Superintendent in Whyalla and that he or she will live in that house. It was specifically purchased for that reason. As to whether I am satisfied or not with the propriety of the transaction, there is no hint (and never was any hint) that there was any suggestion of impropriety. Yes, I am perfectly satisfied with the way in which the business was conducted. I add that not only is the shadow Minister attempting to cast grave aspersions (rather ineffective ones) on the Whyalla Hospital Board collectively, but he should be aware, as a member of the legal profession as well as an allegedly responsible member of Parliament, that he is by imputation trying to impugn the good name of Mr Terry Reilly, the former Chairman of the board.

The Hon. J.C. Burdett: You didn't hesitate to do that.

The Hon. J.R. CORNWALL: I always did it on responsible grounds. Frankly, the honourable member ought to be ashamed of himself.

The Hon. J.C. BURDETT: In view of the fact that the vendor was the former Chairman of the Whyalla Hospital Board and that he has been appointed by the Minister to the board of the Royal Adelaide Hospital since this happening, will the Minister please, as he has suggested he will, ascertain whether, in fact, a total of $68 000 was spent by the Whyalla Hospital Board and, if so, in what way?

The Hon. J.R. CORNWALL: I repeat, for about the sixth time, that my information from the documentation I was shown this morning is that the purchase price of the house was $60 000—that is, $1 000 less than the value that the Valuer-General placed on it. I have not the remotest idea where the Hon. Mr Burdett gets his figure of $68 000. I think that it is one of those things that he has dreamt up, like the strange thing he told us about sackings at the Julia Farr Centre on a previous occasion.

The Hon. J.C. Burdett: I did not.

The Hon. J.R. CORNWALL: The honourable member talked about an additional 25 people being sacked.

The Hon. J.C. Burdett: That is rubbish.

The Hon. J.R. CORNWALL: It is recorded in *Hansard*. It was rubbish, but the Hon. Mr Burdett was the perpetrator of it.

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: It seems to me that this figure has been dreamed up—the honourable member doesn't smoke tobacco, or otherwise, does he, because I cannot explain his remarks in any other way? The allegation of the board spending $68 000 is unsubstantiated. If there is a matter of some additional $8 000 having been added in some way to beat the hell out of a perfectly normal procedure then I will be happy to look at it and bring back a reply for the honourable member, or to write to him during the recess.

STATE ELECTION

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation before asking the Attorney-General a question about electoral matters.

Leave granted.

The Hon. K.T. GRIFFIN: During the State election last year a number of activities were drawn to the attention of the Liberal Party which caused it concern. These matters were identified to the Electoral Commissioner who, I might remind the Council, is an independent statutory office holder.

The Hon. C.J. Sumner: He wasn't under your regime.

The Hon. K.T. GRIFFIN: He was—he was totally independent.

The Hon. C.J. Sumner: You gave him some good directions at times.

The PRESIDENT: Order!

The Hon. K.T. GRIFFIN: The Commissioner was sent a letter dated 7 February 1983, which states:

I refer to my earlier discussions with you about possible breaches of the Electoral Act and some practices which are in breach of the spirit of the Act. As agreed I now set out for you details of the various matters which caused concern to me at the 6 November, 1982, State election.

1. Newland A.L.P. Candidate at Polling Booths.

On polling day the A.L.P. candidate, Mr Klunder, in the seat of Newland was seen at least twice at each of the polling booths within that electorate. He was seen to deliver drinks to his helpers and to be walking backwards and forwards in front of each booth for anything up to 10 minutes on each occasion.

On at least two occasions he was seen talking to electors and on at least one occasion was seen to enter a polling booth (the booth at Modbury Heights) for about three minutes. The action of a candidate as referred to above seems to me to be in breach of the spirit of section 151 of the Electoral Act although there may be some difficulties in establishing the fact of 'solicitation'.

2. Entertainment After Nominations Closed but Before Polling Day.

On 29 October 1982 (after nominations had closed) a function was held at the Highbury Hotel which is in the Todd electorate. The function was the subject of an invitation by the Australian Labor Party to various electors of Todd and Newland. A copy of the invitation, with the name of the person to whom it was addressed deleted, is attached.

I seek leave to table a copy of that letter, although if leave is denied I can just as easily read the letter into the record.

Leave granted.

The Hon. K.T. GRIFFIN: The letter continues:

The information which I have is that about 59 people attended the reception. Mr Bannon, Mr Sumner, Mr Klunder and Mr Lewis (the A.L.P. candidate for Todd) were present. Although there were no formal speeches, the A.L.P. members of Parliament and candidates moved around the room talking to people. There were drinks (beer and orange juice) and savouries, including nuts. When one of the persons attending offered to pay for a drink which that person ordered, the waitress refused it saying, 'Don't worry about it. It's on the house.'

The Hon. C.J. Sumner: There is no breach of the law.

Members interjecting:

The PRESIDENT: Order! The Attorney-General will come to order, as will all other honourable members.

The Hon. K.T. GRIFFIN: The letter continues:

Whilst I have no evidence as to who did pay for the drinks and savouries there is no doubt at all that the people present did not do so. In examining this particular matter those sections relating to bribery and undue influence and those relating to illegal practices appear to require some updating and clarification. It is unfortunate that when I undertook a major review of the Electoral Act during my period as Attorney-General we did not give close consideration to electoral offences.

3. Intimidation of Party Helpers.

I have already provided you with a statement by 'X'. Union organisers were present at the Modbury Heights polling booth, namely, Mr Paul Antrobus (all day), Mr Noel Treharne and a Mr Hall (both in the afternoon). They surrounded electors as they walked towards the booth, handing the electors five or six A.L.P. how-to-vote cards at a time, endeavouring to prevent other Parties' helpers from offering them how-to-vote cards.

4. Intimidation of Presiding Officers.

At Modbury Heights booth, Antrobus was in and out of the polling booth all of the time. He was using standover tactics to the Presiding Officer, acting as though he owned the place, shouting at the returning officer. Antrobus, who was the school council secretary—

Members interjecting:

The PRESIDENT: Order!

The Hon. K.T. GRIFFIN:—

ordered one of the Liberal Party helpers to remove Liberal Party signs from the school grounds even though they were more than the required distance from the booth. The matter was resolved by referring it to the President of the school council who lived nearby. At Modbury West the A.L.P. scrutineer created real difficulties for the Presiding Officer, speaking loudly and generally adopting an overbearing attitude.

5. Size and Placement of Signs.

At the Ridgehaven booth, for example, A.L.P. signs were of maximum size and were placed back to back, constituting an infringement of the Act. In addition, they were also placed too close to the door of the polling booth. On the campaign offices used by Klunder and Lewis the signs were of maximum size and were placed side by side, thus rendering them illegal.

6. Counting.

At the Modbury Heights booth there were difficulties during the count. For example, the Presiding Officer misplaced 500 votes for a time because he could not remember where he put them. The Australian Labor Party had four scrutineers while the House of Assembly vote was being counted. The Legislative Council vote was also being counted, but the A.L.P. scrutineers all concentrated on the House of Assembly count. In fact, the direction from the Electoral Office had been one scrutineer only was allowed for each House of Assembly candidate.

7. General.

(a) From a number of electorates there appeared to be some confusion with the voting paper having the instruction 'vote 1 and then 2, 3, 4', with the '1' in light type and the '2, 3, and 4' in heavy black type. There was an indication that this had been

misleading and although the printer appears to have followed the schedule in the Act it would be worth considering a change in the future.

(b) The Modbury Heights booth generally was too small to cope with the crowds of electors and the Presiding Officer sat in a position from which he was not able to see what was going on at the entrance to the booth.

(c) There was a difficulty in Brighton that on the days immediately prior to polling day electors in the Flagstaff Hill area were telephoned by a person purporting to represent channel 7 and Morgan gallup poll conducting an opinion poll about the election. (Neither party authorised or conducted such a poll.) At the end of the conversation the elector was asked whether he or she was aware that immediately after the election the Liberal Party would institute sales tax on food items—would that change his or her vote? Hundreds of people were approached in this way. Regrettably, it has not been possible to identify the persons responsible for this improper practice.

(d) Also in the Brighton electorate, Mr Hugh Hudson was seen on a number of occasions driving voters up to the door of the polling booth, assisting them into the booth and, in the course of this action, removing the Liberal Party how-to-vote card from their hands and putting the A.L.P. card in their hands. Later the Presiding Officer placed a bench some distance from the doorway, but then the car drove up to the bench. In all, the A.L.P. used 10 cars for this purpose.

(e) At Millicent polling booth there were a large number of Mount Gambier electors seeking absentee votes, but there were insufficient forms available, and voters were given two options, either to go elsewhere or to give their name to the Presiding Officer, but no vote was given although the name was crossed from the roll.

These are matters of varying significance which ought to be brought to your attention for such action as is appropriate and possible. If any further detail or information is required please do not hesitate to let me know.

Yours sincerely,

That letter is signed by me. The Electoral Commissioner replied to that letter on 23 March 1983. I seek leave to table a copy of that reply.

Leave granted.

The Hon. K.T. GRIFFIN: The Electoral Commissioner forwarded a copy of that letter to the Attorney-General, as the Minister responsible for the Electoral Act and the Electoral Department, and I support that course of action as proper. The Electoral Commissioner expresses concern about some of the activities and practices drawn to his attention and says that he will present to the Attorney-General a comprehensive report on the State elections, in which he will make some suggestions for amendment to the Electoral Act. My questions to the Attorney-General are:

1. Have the Attorney-General and the Government considered the matters raised in the letters tabled?

2. Will any amendments be made to the Electoral Act to meet the areas of concern to the Electoral Commissioner expressed in that letter to me of 23 March 1983?

3. Has the Government received the Electoral Commissioner's report on the conduct of the last State election? If it has been received, will it be released publicly, and have any decisions been taken on problems raised by the Electoral Commissioner?

4. If it has not yet been raised, will he give consideration to releasing it when he receives it?

The Hon. C.J. SUMNER: It is interesting to see that the Hon. Mr Griffin has embarked upon the same grubby exercise that his Leader in the House of Assembly earlier this morning decided to embark upon. I point out that the letter that the Electoral Commissioner wrote to the Hon. Mr Griffin was dated 23 March this year; that is over two months ago. For some extraordinary reason, the Hon. Mr Griffin and Mr Olsen have decided to raise this matter in the way that they have at this time. They have made a number of statements in the Parliament. A number of statements were made by the Hon. Mr Griffin in his letter. He has condemned people in that letter; he has accused them of so-called 'standover tactics'. The Hon. Mr Griffin has engaged in self-serving statements on behalf of himself and the Liberal Party without providing those people with a chance to respond. Furthermore, he has said them in the Council. He has accused these people of standover tactics and he has not said it outside the Council.

As I have said, it was a grubby exercise, trumped up at this time. He has accused people, without one skerrick of evidence of certain electoral misdemenours. He has not been prepared to repeat those statements outside the Parliament. All I can say is that the letter was received by the Electoral Commissioner, and the Electoral Commissioner referred the matter to the Crown Law Office and to the Crown Solicitor. The Crown Solicitor, in relation to the so-called reception at the Highbury Hotel, advised that in his view there was no ground for proceeding.

The Hon. R.I. Lucas: That is not the advice that we had.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: If members opposite received advice, they could have tabled it and proceeded—

The Hon. R.I. Lucas: We—

The PRESIDENT: Order! I ask the Hon. Mr Lucas to desist from interrupting at this stage; he can ask a further question in a moment.

The Hon. C.J. SUMNER: The Electoral Commissioner obtained advice from the Crown Solicitor, and that advice was conveyed to the Hon. Mr Griffin in the letter from the Electoral Commissioner which the Hon. Mr Griffin has tabled. That letter indicated that no proceedings would be taken in relation to either of the incidents mentioned.

In relation to the so-called incidents of harassment, the Crown Solicitor did not consider that they constituted a breach of section 149 of the Electoral Act. That was the Crown Solicitor's opinion. Despite having the benefit of that knowledge, despite the fact that the Electoral Commissioner has had the matters investigated, and despite the fact that a Crown Law officer gave the opinion that there was no breach of section 149 in relation to these matters, Mr Olsen and the Hon. Mr Griffin have made these allegations in the Parliament. The Opposition's remarks in relation to the so-called reception really scrape the bottom of the barrel. Anyone who could deem that function to be a breach of the Electoral Act—

The Hon. Frank Blevins: Is nuts.

The Hon. C.J. SUMNER: Yes, and would be operating from some kind of twisted view of the situation. The fact is that the Crown Solicitor said that it was highly unlikely that a court would be satisfied beyond reasonable doubt that refreshments were offered with a view to influencing the vote of those present. I was at that function and it would be quite absurd to say that drinks were offered with a view to influencing the vote of any elector. It is absolute nonsense.

The Hon. Frank Blevins: And the nuts.

The Hon. C.J. SUMNER: The nuts and the drinks are supposed to have influenced the votes of these electors. I think this must be a little bit embarrassing for the Hon. Mr Griffin, who I thought was someone of integrity, because he has decided to get on the grubby, political bandwaggon. Apparently he has been forced into that position by the Leader of the Opposition in another place, Mr Olsen.

I repeat that these matters were investigated by the Electoral Commissioner, Crown Law opinions were taken on them, and I have indicated what those opinions were. The Hon. Mr Griffin and the Leader of the Opposition in another place have made these allegations in the Parliament, without giving these people the right of reply. These have been Liberal Party self-serving statements which are not backed by any evidence and which cannot be answered by the people that have been mentioned.

The Hon. Frank Blevins: Cowardly!

The Hon. C.J. SUMNER: If that is the cowardly way in which the Hon. Mr Griffin wants to act, I have considerably less respect for him now than I had prior to his asking this question. If there are allegations of breaches of the electoral laws, they can be dealt with in the proper way, as they were in this instance. I draw the Council's attention to a complaint about a Liberal candidate and a breach of electoral laws by none other than Mr Ingerson. I understand that Mr Ingerson—

The Hon. R.I. Lucas: Will you repeat that outside the Council?

The PRESIDENT: Order!

The Hon. C.J. SUMNER: Yes, I will say it wherever the honourable member likes, because a breach of the Electoral Act was committed—probably by Mr Ingerson and certainly by Mr Willett. In relation to the State electoral district of Albert Park, I advise the Council that a complaint was received from the current member, Mr Hamilton. He wrote and asked me, as Attorney-General, what comments I had and what action I intended to take in relation to a breach of the Electoral Act by the Liberal Party candidate, Graham Ingerson, in the electoral district of Albert Park during the election. I now understand that Mr Ingerson is a member of the Liberal Party in another place. As is normal, I referred the matter to the Electoral Commissioner.

The Electoral Commissioner advised me that there was a lack of authorisation in relation to an electoral advertisement. That is clearly a breach of section 155d of the Electoral Act, in that the advertisement, placed on behalf of Mr Ingerson, was not properly authorised.

The Electoral Commissioner also advised me, 'The fact remains, however, that there has been a breach of the Act.' There was no equivocation whatsoever: there was a breach of the Act by a Liberal Party candidate or by Mr Willett. Although there was a clear breach, as it turned out, it was considered that prosecution was not warranted and that an admonition of the Liberal Party and Brigadier Willett would be satisfactory in the circumstances.

It was not a particularly serious breach, but I submit to the Council that the matters raised by the Hon. Mr Griffin earlier could hardly be considered to constitute a breach of the Electoral Act. As I have said, the Crown Law opinion was that, in relation to the matters raised by the Hon. Mr Griffin, there was no breach of the Electoral Act. Nevertheless, I have advised the Council of a clear breach of the Electoral Act by Brigadier Willett of the Liberal Party. In the circumstances, it was decided that no prosecution would be launched because it was not a particularly serious offence. Nevertheless, an admonition was sent to Brigadier Willett by the Electoral Commissioner, as follows:

> I have received a complaint that an advertisement placed in the *Messenger* Newspaper on 3 November 1982 did not comply with the requirement of section 155d of the Electoral Act, 1929-1982, in that the advertisement was not properly authorised.
>
> The advertisement was designed to attract support for Mr Graham Ingerson, the Liberal Party candidate for Albert Park. In view of the fact that similar advertisements placed on behalf of Liberal candidates were authorised by you, I presume that you would have taken responsibility for the placement of the advertisement in question.
>
> Although I do not intend to take this matter further on this occasion, if similar breaches occur in future they may become the subject of court action.
>
> The seriousness of the offence is not just reflected in the $500 penalty, for I am sure you would recognise the matter could be a subject in a petition to a Court of Disputed Returns.
>
> In future I would urge you and your staff to vet closely all proofs of advertisements or leaflets commissioned on behalf of the Liberal Party and its candidates.

The matters raised by the Hon. Mr Griffin months ago were not the only complaints received about the State election in November last year. There was no breach of the law in the matters raised by the Hon. Mr Griffin. However, there was a breach of the law by Brigadier Willett of the Liberal Party in relation to an advertisement placed in the Messenger Press in relation to the seat of Albert Park.

I believe that the matters raised by the Hon. Mr Griffin would have been better dealt with in a responsible way, as has been the case in relation to the responsible way that the matter to which I have referred has been dealt with by myself and the Electoral Commissioner up to the present time.

The matters that have been raised are being addressed by the Electoral Commissioner, who has advised me that he intends to prepare a full report on the 1982 election. I have not yet received that report, but when I do it will be considered along with any other submissions that anyone wishes to make about the conduct of the election. If any amending legislation is necessary, it will be brought before the Council in due course. That is the present position. I repeat: I find the tactics adopted by the Hon. Mr Griffin and his Leader in another place distasteful in the extreme. I should have thought that the Hon. Mr Griffin, as a former Attorney-General, would have conducted himself with somewhat more integrity than he has on this occasion.

The Hon. R.I. LUCAS: I desire to ask a supplementary question. Has the Attorney-General provided a copy of the Crown Law advice to which he has referred to either Mr Schacht of the Labor Party or to any other representative of the Australian Labor Party?

The Hon. C.J. SUMNER: No.

ROXBY DOWNS

The Hon. I. GILFILLAN: I seek leave to make a brief explanation before asking the Minister of Agriculture, representing the Minister of Mines and Energy, a question about Roxby Downs.

Leave granted.

The Hon. I. GILFILLAN: In recognising the efficiency of the shroud of secrecy which seems to surround all relevant details of the Government's assessment of the Roxby Downs mining venture, I persist in attempting to find for the people of South Australia some justification or the basis upon which the decision to allow Roxby Downs to go ahead has been made. Therefore, I ask in this case some questions in relation to the costing by Roxby Downs Management Services in regard to uranium.

In both the draft environmental impact statement and the supplementary draft environmental impact statement for the Roxby Downs project, Roxby Downs Management Services has refused to give the figures by which the company deems it essential for uranium to be mined to make the project economically viable. A submission made by the Friends of the Earth for the draft environmental impact statement shows quite clearly that the project will be viable without income from uranium with proper prices at around $2 000 a tonne. My questions to the Minister are as follows:

1. Is the Government prepared to accept the Roxby Downs Management Services unproved claim of the necessity to mine uranium at Roxby Downs?

2. Just what proportion of the total project and infrastructure cost is the uranium circuit likely to account for?

3. Will the Minister request the joint venturers to make a serious study of the process options that involve not building a uranium extraction circuit?

The Hon. FRANK BLEVINS: I shall be pleased to draw my colleague's attention to the question and bring down a reply.

ASSISTED SCHOLARS

The Hon. ANNE LEVY: I seek leave to make a brief explanation before asking the Minister of Agriculture, representing the Minister of Education, a question about Government assisted scholars in private schools.

Leave granted.

The Hon. ANNE LEVY: As members of the Council may know, the Government currently gives a school book allowance for every child in South Australia, the amount varying according to whether the child is enrolled in a primary or secondary school. This school book allowance is intended to offset the cost of books to the student and the student's parents.

There is also a second scheme for so-called Government assisted scholars which is often referred to as the free book scheme and which is granted to children from needy families, the need of the family being ascertained by people in the Education Department. Schools are constantly asked to keep this information confidential.

There should be no discrimination within the school between children who are Government assisted scholars and others. In this case, the money for the Government assisted scholars is given to the school by the Education Department, and Government schools are definitely expected not to charge the parents of these children any sums at all for the provision of books, stationery and basic essentials at the school, the criterion being that no child should be disadvantaged in any way.

I should say that this same money for Government assisted scholars is given to private schools or to any non-government school that has a Government assisted scholar as part of the enrolment. It has been brought to my attention that in at least one non-government school Government assisted scholars are still receiving accounts for their books and other necessities. These accounts come officially from the Bursar's office of the school, and inquiries on behalf of one of these Government assisted scholars were met with the comment that the school could use the money better than could the student.

I find this situation extremely disturbing. This Government money is not a grant to the school for its own purposes: it is a grant to assist the families of needy students and is specifically designed to prevent these children having to pay for their books, stationery and other basic necessities. As I understand it, the money which is passed to the school on behalf of these Government assisted scholars is not accounted for by non-government schools under the current set-up.

Therefore, can the Minister determine whether this practice of charging Government assisted scholars for their books and necessities is widespread in the non-government sector? If it is, in how many schools is it occurring? Does the Government believe that this is a misuse of the Government's and taxpayers' money which is being given to provide the books and necessities for these children from needy families? Will the Government consider issuing a directive to non-government schools in exactly the same manner as it issued a directive to Government schools regarding the application and accountability of this money?

The Hon. FRANK BLEVINS: I will refer that question to my colleague in another place and bring down a reply.

AMOEBIC MENINGITIS

The Hon. R.I. LUCAS: I seek leave to make a brief explanation prior to directing a question to the Minister of Health about amoebic meningitis.

Leave granted.

The Hon. R.I. LUCAS: As sometimes happens, I was most concerned to read comments made by the Minister of Agriculture in Mount Gambier last week. His comments were reported in that very good country newspaper, the *Border Watch*, as follows:

> One problem is the problem of amoebic meningitis in water supplies in the Iron Triangle region. That kills people every year.

I emphasise what the Minister said:

> That kills people every year.

The report continues:

> We are not really talking about saving an industry but about saving lives, yet that project, which has been going for 18 years, has also been slowed down.

I might add that those comments were made in the context of a lengthy interview in which the Minister was under considerable pressure about the scaling down of the Finger Point sewerage programme, and the Minister was probably referring to saving the fishing industry and was saying that the water filtration programme in the Iron Triangle involved the saving of lives. The information that I have been able to obtain shows that the total number of recorded deaths in South Australia in the past 10 years from this source has been one person. That was the unfortunate case, I am sure all honourable members will agree, involving the death of a 10-year-old boy in Whyalla in January 1981.

The Hon. J.R. Cornwall: When?

The Hon. R.I. LUCAS: In the past 10 years. I refer to the *Advertiser* of 26 January 1981 and the report by Mark Bruer, as follows:

> Saturday's case—

that is the case I referred to—

> was the first report of amoebic meningitis in South Australia since two children died at Port Augusta in 1972.

That is the time-scale I am referring to. My questions to the Minister are:

1. Is the Minister aware of people dying every year from amoebic meningitis in South Australia?

2. Does the Minister believe that the comments made by the Minister of Agriculture are factual?

3. Will he provide the Council with figures from the Health Commission (I presume that that is the appropriate body) listing the number of deaths from amoebic meningitis recorded in South Australia in each of the past 10 years?

The Hon. J.R. CORNWALL: Yes, I will expedite the bringing of those figures before the Council. My recollection is that the figure of 10 that the honourable member gave is probably accurate. I think that there have been 13 deaths—

The Hon. R.I. Lucas: In the past 10 years—

The Hon. J.R. CORNWALL: There have been 13 recorded deaths in South Australia from amoebic meningitis, and to date they have all been in the Iron Triangle. The distribution of the organism is far more widespread than that; it is possible that the organism may well have been present for tens or hundreds of years. It is certainly widespread throughout most of the State, and I am told that this is the only place in the world where it occurs in reticulated water supplies. In other parts of the world the organism normally occurs in natural swimming holes. It is true that, very fortunately, there have not been any deaths from amoebic meningitis for, I think, three summers, or something of that order, but it is an ever-present risk. It is very much a ubiquitous organism, found in very wide distribution and in reticulated water supplies.

A full summary comes over my desk every month. I was amazed to learn today that the member for Eyre in another place had called for my resignation because I was allegedly not telling people the facts about where we have isolated *naegleria fowleri*. Because the question relates directly to *naegleria fowleri* and amoebic meningitis, I will say some-

thing about that. First, I must say that being Minister of Health is a great job. I am enjoying it enormously and cannot recall enjoying myself so much in the past 25 years. I can assure the Council that I am not about to resign. I said when I first got this job that I could fix the entire health service system in two terms. However, it might take me three, and it is not only Max Harris—

Members interjecting:

The PRESIDENT: Order! Let us hear the Minister's answer.

The Hon. J.R. CORNWALL: The member for Eyre has said that I am suppressing information. The Hon. Mr Lucas has asked that he be provided with facts and figures. In fact, it was the previous Government, after the scandal it created when it cut back on money for monitoring the presence of *naegleria fowleri*, that instituted a system whereby all of the occasions on which this organism is isolated in water supplies are notified to the Minister of Health's office. The normal procedure is that the Central Board of Health is notified of such isolations. The local council is always notified in any area where such an isolation has occurred, and copies of those notifications come across my desk, so every month I have a complete record of any isolation of *naegleria fowleri* anywhere in the State. In fact, to bring honourable members up to date, there were no isolations of the amoeba in April. In May the amoeba was isolated in storage tanks at Meningie and Port Augusta. They were the only two isolations.

It is much more common for it to be isolated in the warm months, as it does well in temperatures higher than 40 degrees Celsius. We notify everybody, as I said in answer to a question from Mr Burdett yesterday, when this happens. We are ever alert and we have what appears to be a very adequate programme of chlorination, chloramination and disinfection, but, because of the widespread nature of the organism, it can occur anywhere throughout the State, and it is possible that, if we ever relax this vigilance, or the community at large is not aware of the problem, that it can occur. Certainly, we are not about to try to save any money by cutting down on chlorination, chloramination, or disinfection generally. I hope that I can stand on my feet, due to some good luck and good management, and say the same thing towards the expiry of my third term as Health Minister.

Quite frankly, with all the precautions in the world it is always possible that there will be an outbreak, as is shown by the fact that the amoeba is isolated from time to time anywhere from Keith to the Iron Triangle, Yorke Peninsula, or even in Adelaide. It is not possible to say that we will not have a tragedy at some stage. It is amazing, with the organism so widely spread, that we do not have more cases of amoebic meningitis. We do not understand what triggers the infection, but quite clearly there must be thousands of people exposed to amoeba in the water at various times during the summer; fortunately, they do not contract amoebic meningitis.

PERSONAL EXPLANATION: PRESS REPORT

The Hon. FRANK BLEVINS (Minister of Agriculture): I seek leave to make a personal explanation.

Leave granted.

The Hon. FRANK BLEVINS: The Hon. Mr Lucas has just made some comments about an interview that I gave to the media in Mount Gambier on Wednesday of last week. There were some quite incorrect things stated there. I would have hoped that the Hon. Mr Lucas would have asked the question of me rather than of the Minister of Health, or as well as the Minister of Health. As he did not choose to do that, I thank the Council for giving me leave to make this personal explanation. First, I turn to the question of being under some pressure.

The Hon. M.B. Cameron: Don't take 20 minutes.

The Hon. FRANK BLEVINS: First, there was the question of being under some pressure in Mount Gambier over another issue and giving that interview under some considerable pressure. That is not the case at all. The media in Mount Gambier, as in the entire area, has been very responsible about the problems at Finger Point (and I must say that that responsibility has not flowed on to the members from that area), so there was no question at all of the media in Mount Gambier putting any pressure on me. The interview was conducted at the high standard that I have come to expect from the media. When I read the report in the *Border Watch* it concerned me somewhat that they had got it slightly wrong, but on reflection I can understand how that happened, so I am not in any way blaming the journalists for the inaccuracy of the report. If I might give the House the context of the question, there has been some suggestion in the *Border Watch* that the decision not to build the facility—

The Hon. K.T. GRIFFIN: I rise on a point of order. The Minister is departing from the Standing Order which allows him to make an explanation on matters of a personal nature. He is ranging far and wide, and leave was given only for a personal explanation.

The PRESIDENT: I was listening quite keenly and I thought that perhaps the Minister was explaining some misinterpretation of what he had said previously. I hope that the Minister makes that explanation clear. I believe that he is in order.

The Hon. FRANK BLEVINS: Thank you, Sir. The context in which the statement was made was that I had had discussions with the *Border Watch* regarding a suggestion that the decision not to go ahead with the facility was made on political grounds because people in the area did not elect a Labor member. I was putting to rest that suggestion for the second time by pointing out projects in areas represented by Labor members.

I said that every year in Whyalla, Port Augusta, and Port Pirie there is a problem in regard to amoebic meningitis, and that that scares the people, not because it will damage an industry but because it kills our children. Having brought up four children in that atmosphere over the past 18 years, I know just how serious the matter is. Again, because of financial constraints, that project has been slowed down.

The PRESIDENT: Order! I do not believe that the Minister—

The Hon. FRANK BLEVINS: I am about to wind up, Mr President. While the report did not quite reflect what I said, it is perfectly understandable that the press read it in that way. This is not something that causes me a great deal of concern, but apparently it is causing concern to the Hon. Mr Lucas, and I would be happy to write to the *Border Watch* to restate the case.

The Hon. R.I. Lucas interjecting:

The Hon. FRANK BLEVINS: I am surprised that the Hon. Mr Lucas did not ask me about it. I thank honourable members for their leave.

LEGISLATIVE COUNCIL BOOKLET

The Hon. ANNE LEVY: Have you, Mr President, a reply to a question I asked on 5 May about a booklet on the Legislative Council?

The PRESIDENT: In reply to the honourable member, I have carried out certain investigations, and I would like to report that an educational pamphlet concerning not only the House of Assembly but also the Legislative Council is

available for distribution to schoolchildren and other visitors to Parliament House. I have considered the matter and have ascertained that the booklet entitled 'The Parliament of South Australia', which obviously contains information on both Houses and is distributed to teachers accompanying the students, was reprinted recently at a cost of $3 per copy. When reordered, future copies should cost approximately $1.50 each.

However, a pamphlet which is also distributed to schoolchildren by the House of Assembly contains information specifically on that House: 10 000 copies of this pamphlet were recently reordered and provided at a total cost of $1 877.97 (approximately 19c per copy). I have been informed that to produce 10 000 similar pamphlets on the Legislative Council would cost initially a total of $4 000. A reprint would cost somewhat less. In accordance with members' requests, I have this day forwarded to the honourable Treasurer a submission requesting that an additional $4 000 be provided in the Estimates of Expenditure for the Legislative Council for the ensuing financial year to enable a booklet on this Council to be printed.

The Hon. C.J. SUMNER (Attorney-General): I move:

That Standing Orders be suspended to enable Question Time to continue until 3.25 p.m.

Motion carried.

CLELAND CONSERVATION PARK

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister of Tourism, a question about Cleland Conservation Park.

Leave granted.

The Hon. L.H. DAVIS: The National Parks and Wildlife Act provides that the Government may, by proclamation, establish a development trust in respect of a reserve. One such trust that has been created is the Cleland Conservation Park Trust. The Federal Minister for Tourism, Mr Brown, recently attracted some publicity because of uncharitable remarks about koalas, but of course Cleland's koalas are a special attraction for visitors and tourists. I am not sure whether it was a Cleland koala that piddled on Mr Brown, but if that was the case it might have reflected the fact that the koalas could be unhappy with the name of their home. Although Cleland Conservation Park contains some very attractive Australian native trees and shrubs, undoubtedly its main attraction is the native wildlife.

Therefore, will the Minister consider renaming the Cleland Conservation Park the 'Cleland Wildlife Park', which would better reflect its main attraction and also make it more readily recognised as a tourist attraction? The Minister is no doubt aware of the large sign that is situated on the Hills freeway in white lettering on a brown background which simply states 'Cleland'. Will the Minister investigate the possibility of rewording the sign for the benefit of potential tourists to read 'Cleland Wildlife Park'?

The Hon. C.J. SUMNER: I will obtain the information for the honourable member and bring back a reply.

REST HOMES

The Hon. M.S. FELEPPA: In regard to equal opportunities, and before asking the Minister of Ethnic Affairs a question, I seek leave to read an article that was published in the *Advertiser* of Wednesday 25 April and a paragraph of an editorial of 26 May 1983, further seeking leave to have the remainder of the editorial incorporated in *Hansard* without my reading it.

The PRESIDENT: I am sure that leave will be granted for the honourable member to read whatever he wishes, but an incorporation in *Hansard* must be purely statistical. Is that the case?

The Hon. M.S. FELEPPA: No. To save time, I would like to read a paragraph of the editorial and have the remainder incorporated in *Hansard*.

The PRESIDENT: I am afraid that the honourable member cannot do that. The matter must be statistical.

The Hon. M.S. FELEPPA: In that case, I will read the whole editorial.

The PRESIDENT: That is the only course I can take.

The Hon. M.S. FELEPPA: Under the heading 'Rest homes, hostels accused', the report states:

They're biased against elderly migrants, says social worker. Hundreds of aged migrants in South Australia were living in appalling conditions because of discrimination, an Adelaide social worker said yesterday.

Rest homes and hostels discriminated against non-English-speaking applicants, he said. Mr Constantine Founten, a migrant welfare worker at the Port Adelaide Central Mission, said rates at rest homes varied, but the majority charged more than the pension, putting them beyond the financial reach of many aged migrants.

Government-subsidised hostels usually charged about 85 per cent of the pension, but often discriminated against non-English-speaking people. 'They say that if a person has to use sign language, how are they going to tell nurses they are sick, or they don't like what they are eating,' Mr Founten said.

In one case, a Ukrainian man in his 80s had kept running away from a rest home because he did not like the food—but was unable to tell the staff. Another elderly Ukrainian man, who died recently, had been renting a shed for $20 a week with no lavatory facilities. 'It is impossible to believe this is happening in Adelaide,' Mr Founten said.

Many migrants lived out their old age in loneliness and unhappiness. 'I would like to see the groups like the Slavonics join together and apply to the Government for a hostel so that people from various cultural groups can live together,' Mr Founten said. 'But to get money from the Government, you need money to start off with.'

The Government subsidised hostels on a 2-to-1 basis, which meant that migrant groups had to provide one-third of the cost. An average-sized hostel of 80 beds was a multi-million-dollar venture. 'Smaller migrant groups don't have that sort of money,' Mr Founten said.

There was an urgent need for the State Government to provide hostels for these migrants. South Australia had only one ethnic hostel, the Italian Village at St Agnes, built by the Italian community. The Greek community was now building a Greek elderly citizens' nursing home at Ridleyton at a cost of $2 500 000. Mr Founten said migrants hardest hit were those from peasant backgrounds. They were poor, had inadequate English, often reverted to their native language in their old age and had no relatives living in South Australia.

In one case, a non-English-speaking Polish woman in her 80s had spent weeks searching before she found a rest home that would accept her. 'Hostels and rest homes will think up all sort of reasons for not letting them in—and usually they don't have the decency to tell them why,' Mr Founten said. 'If she was prepared to pay a lot of money, anyone would take her in.' Mr Founten said the housing problem was aggravated because the traditional respect for the aged was eroding as people of ethnic descent adopted Australian values towards the aged.

'The extended family is breaking up,' he said. The Minister of Ethnic Affairs, Mr Sumner, said he would be 'very interested' to investigate any specific allegations of discrimination against non-English-speaking people. 'There is no question that aged people of ethnic origin have particular problems as they grow older and, if they have not mastered English, there is a tendency to use the language from their country of origin,' he said. 'I would need to inquire further into any specific proposals for a hostel for ethnic people.'

The PRESIDENT: I must draw the honourable member's attention to the fact that we have already exceeded the time allotted. Unless we can prevail on the Attorney-General to extend further, I suggest that the honourable member asks his question if he possibly can.

The Hon. M.S. FELEPPA: If I ask the question without reading from this document, I am afraid that the matter will not be clearly understood.

The PRESIDENT: I will have to call on Orders of the Day.

The Hon. C.J. SUMNER (Attorney-General): I move:

That the time for questions be extended to enable the member to complete his explanation and ask his question.

Motion carried.

The Hon. M.S. FELEPPA: I thank honourable members for their courtesy. The *Advertiser* editorial of the next day (Thursday 26 May 1983), with the title, 'Needs of our aged ethnics', reads as follows:

While much of the anti-discrimination legislation enacted in recent years, particularly the Sex Discrimination Act, has been of clear benefit to many members of our society, it seems clear that one group, the ethnic minority, is still suffering from inadequate means of seeking redress for unjust treatment.

In 1981, the South Australian Commissioner for Equal Opportunity said the Racial Discrimination Act of 1976 was extremely ineffective in preventing discrimination against ethnic people. It was ineffective because it made discrimination a criminal offence; because it failed to provide for an administrative body with specialist expertise to investigate complaints; and it failed to provide for a procedure to resolve complaints by conciliation. The Commissioner recommended that the Act be replaced by legislation along the lines of the Sex Discrimination Act.

Since then the South Australian Ethnic Affairs Commission has been established, as well as programmes for improving translating and interpreting services. While the former Liberal Government professed itself before the last election well satisfied with the operation of this commission, the Labor platform pledged a review of its structure and the implementation of the recommendation to improve the Act as well as several other initiatives to upgrade services for ethnics.

The allegation this week that hundreds of aged people of ethnic origin are living in appalling conditions because Government-subsidised hostels often discriminate against non-English-speaking people must be taken very seriously. It is a sad reminder that while as a society we may profess to care about justice for all, some of the 20 per cent of our population who are of ethnic origin may be getting very far from a fair deal. The allegations highlight the specific problems of those who are aged. Many of these people may have provided useful service to the community but because they have not mastered English and tend to revert to their native tongue in old age, the chances of their being discriminated against out of ignorance, prejudice or indifference are much higher then for the rest of the ethnic population.

The Minister of Ethnic Affairs, Mr Sumner, has given an assurance that he will look into specific allegations of discrimination against these aged people and will inquire into the proposals for a special hostel for ethnic people.

It is understood that the Government is still in the process of reviewing the workings of the Ethnic Affairs Commission and studying the implications of bringing the Racial Discrimination Act into line with other such Acts. The Government is also considering appointing a commissioner for aged care, with an officer within this commission dealing specifically with the problems of ethnic people. Such moves are urgently required to ensure that the elderly citizens of our ethnic minority enjoy the same rights and privileges as the rest of the population.

Just before I address my question to the Minister, I wish to remind honourable members in this Chamber that, during my maiden speech of 22 July 1982, I referred to the situation which now has been covered by the editorial in the *Advertiser* of 26 May 1983, and I quote a short passage:

There seem to be two main sources of racial discrimination still current in Australia and in South Australia. One is related to offences against the discrimination Acts of our State and of the Commonwealth. The reports from the Commissioner for Community Relations testify to the currency of this question. Unfortunately, in South Australia we do not possess a mechanism as apt in surveying this matter as does the Federal Government. In South Australia the Commissioner for Equal Opportunity has no jurisdiction over the 1976 Discrimination Act. Jurisdiction is with the police. This is indeed a peculiar situation, when, very often, the complaints of discrimination on the basis of race are precisely against the body which is entrusted with its surveillance. I suggest that a more appropriate body would be the Commissioner for Equal Opportunity. In this case, the office should be given not only the powers to investigate the complaints, but also the power to prosecute on behalf of the plaintiffs.

Therefore, given that the editorial said that the Racial Discrimination Act of 1976 made discrimination a criminal offence, I ask the Minister:

1. Will he, in his capacity as Attorney-General or as Minister of Ethnic Affairs, look at the allegations made in the editorial?

2. Has the Ethnic Affairs Commission reported to the Minister on these matters and on the problems facing aged 'ethnics'? If it has, when was the study made and which group does it mention? If it has not, why not?

3. The editorial also mentioned that the previous Liberal Government was 'well satisfied' with the operation of the commission. Did the previous Minister, the Hon. Murray Hill, receive such a report? If so, what was his reaction to it?

4. Reading this editorial has been very satisfying as it mentions matters very well known to all of the ethnic communities, and now they are even known by a newspaper, but there is no mention of these problems from the commission. Why not? Has the commission taken any steps whatever to look into the matter of the ethnic aged? Has the commission spoken to Dr De Pasquale about this problem? If the commission has taken any steps whatever, what are they? What steps has the commission taken to publicise its interest?

5. Who proposed that a special hostel for 'ethnic aged' be established? When did they do this?

The Hon. C.J. SUMNER: There is insufficient time to allow me to respond to all the questions asked by the honourable member. Briefly, the Government is committed to amending the Racial Discrimination Act to make it more flexible in its operation (that undertaking was given at the last election). A working party is presently looking at the best way to achieve that. However, the situation has been complicated somewhat by a recent decision of the High Court which specifically declared that the New South Wales Racial Discrimination Act was invalid and was in conflict with the Federal Racial Discrimination Act. That work is proceeding.

I understand that the Commonwealth will amend its Racial Discrimination Act to preserve racial discrimination legislation in those States where legislation is consistent with the Federal Act. The question of the ethnic aged has been raised with me in general terms. I mentioned in the *Advertiser* report that I would investigate the matter further, along with the allegations contained in the article. The Government has a proposal (as outlined at the last election) to establish a Commissioner for Aged Care. The Commissioner's office will include a person responsible for specifically dealing with the problems of the ethnic aged. The Ethnic Affairs Commission has addressed this problem. I believe that a couple of years ago a seminar was promoted by the Ethnic Affairs Commission and that that seminar produced certain recommendations. I have said that I will investigate the proposal to provide a special hostel—and that will be done. I have asked the Ethnic Affairs Commission to provide a full report on the matters raised in the newspaper article. When I have received that information I will provide it to the honourable member.

ALICE SPRINGS TO DARWIN RAIL LINK

The Hon. M.B. CAMERON (Leader of the Opposition): I move:

That in the opinion of this Council—

1. The Alice Springs to Darwin rail link is of vital economic importance to South Australia and construction should proceed immediately with total Commonwealth funding.

2. There should be no rescheduling or cancellation of the plans to complete the Stuart Highway as a result of a decision to proceed with the railway.

The Opposition has introduced this motion today with very clear motives. We recognise the widespread concern in both South Australia and the Northern Territory about the decision of the Commonwealth in the mini Budget which puts at risk the future of the Alice Springs to Darwin rail link. This motion seeks to gain bi-partisan support for the railway so that the Commonwealth will review its decision recognising that the benefits from the rail link will accrue to the whole of the Australian people and not just a single State or Territory.

In the mini Budget presented by the Federal Treasurer on 19 May the Commonwealth sought to break previous commitments to totally fund the Alice Springs-Darwin rail link. In fact, the Treasurer said:

> We intend to proceed on the basis that the Commonwealth and the Northern Territory to contribute 60 per cent and 40 per cent respectively to construction costs. Part of the Commonwealth's contribution would be funded by transferring about $60 000 000 currently allocated to upgrading the Stuart Highway in the Northern Territory. Should the Northern Territory not accept this approach, the Commonwealth would be prepared to provide, in place of the railway, a high standard road link from Alice Springs to Darwin by 1987 and additional rail facilities for Alice Springs to provide an efficient transport alternative. The Commonwealth is proceeding this way in light of the prevailing budgetary situation, and the fact that it is plainly uneconomic to proceed simultaneously with both the construction of the Alice Springs-Darwin railway link and the major upgrading of the parallel road link.

There are a number of issues within that statement that I wish to clear up. But first, I will address the very real importance to South Australia of the Alice Springs-Darwin rail link.

The concept of this railway is, of course, nothing new. Indeed, the need for a total North-South railway, of which the Alice Springs-Darwin section would be a part, has been discussed for over 70 years. It seems ludicrous indeed that as we approach the 21st century with all the technological advances that we see daily, we are still unable to traverse Australia efficiently from North to South, either by road or by rail. One could hardly believe that for one of our capital cities, Darwin, it is easier and more reliable to trade with South-East Asia than with South Australia. There is not one continuous sealed road linking Adelaide and Darwin, nor a continuous railway.

The need for such a link was recognised as far back as 1907 when the South Australian Labor Premier, Mr Price, signed the agreement under the Northern Territory Surrender Act with Prime Minister Alfred Deakin to transfer the Territory to the Commonwealth. One of the conditions of that agreement was:

> The Commonwealth shall . . . construct or cause to be constructed a railway line from Port Darwin southwards to a point on the northern boundary of South Australia proper (which railway with the railway from a point on the Port Augusta railway to connect herewith is hereinafter referred to as the Transcontinental Railway).

That was a clear commitment 76 years ago by the Commonwealth to build the North-South link. It was confirmed and amplified by the Railways Standardisation Act of 1949. Let us be clear about what that 1949 Act says. In clause 21 it describes the standard gauge rail link from Port Augusta to Darwin, and in clause 22 the Commonwealth accepts the cost for carrying out the necessary work. The Rail Standardisation Act was passed by Ben Chifley's Government. Section 22 of that Act provides:

> The Commonwealth shall bear the cost of carrying out the work specified in the last preceding clause.

Now we see the railway when finally it is to be started put at very real risk by a Commonwealth Government quite prepared to break commitments no matter how recent or how far in the past they may have been. On 19 February this year the now Federal Minister of Transport, Mr Morris, said that the A.L.P. would honour the former Federal Government's commitments to the railway and that it will be completed by a Labor Government. He said that contracts arising as a result of rail construction woiuld be a major boost to the A.L.P.'s plans for economic recovery.

On 1 March he gave details of an A.L.P. comprehensive transport package for the Northern Territory which included construction of the Darwin to Alice Springs rail line with a target completion of 1988 and completion of the Stuart Highway by the 1986 target date. Mr Hawke in an election commercial broadcast on Northern Territory television said:

> We will complete the Alice Springs to Darwin rail link.

That is an unequivocal commitment. Even after the election the Federal Government maintained its illusion of commitment to construction of the line. As recently as 8 April, Mr Morris assured the Northern Territory Leader of the Opposition, (Mr Collins) that preparations for construction of the railway were proceeding on schedule. At the same time he told the Leader that the Stuart Highway sealing was ahead of schedule and would be completely sealed by the end of 1986.

Suddenly, little more than a month later, all this is thrown into doubt. The Alice Springs to Darwin railway is a project which will have a very significant impact on the economy of the Northern Territory in both the short and long term. Equally it will benefit other parts of Australia, particularly South Australia.

- It will be the largest current railway development project in the world.
- The railway will generate new jobs, stimulate activity in a number of industries, including Australia's depressed iron and steel industry (we heard often enough how the Federal A.L.P. was committed to assisting that industry and B.H.P.) and enhance the nation's productive capacity through the development of essential infrastructure.
- The railway will mean new opportunities for economic growth and the opening of new trade prospects with South-East Asia.
- Most of all, the railway will provide jobs for Australians.

The construction phase of the project will provide direct employment for about 300 people over the life of the project. But the full employment effects go well beyond this. There will be significant flow-on employment effects as a result of the construction expenditure both for the Northern Territory and for the Australian economy and, in particular, for the South Australian economy, about which will I say a little more later.

The flow-on employment generated by the project will average about 250 new jobs in the Northern Territory and a further 1 100 new jobs in Australia during each year of the construction phase. I point out that 150 000 tonnes of steel rail will be used. The steel would come from the B.H.P. plant at Whyalla. This will be a significant boost for the currently depressed iron and steel industry, and for the South Australian economy. As to concrete, a total of 2 250 000 concrete and steel sleepers will be required for the project, again produced in South Australia.

More than 100 individual bridges will be required, together with 1 000 culverts and a total of 25 000 metres of culvert pipes. Earthworks will require 17 000 000 cubic metres in embankments and 3 000 000 cubic metres in currings. The project will use 3 000 000 cubic metres of crushed stone ballast.

There will also be substantial employment in surveying and other engineering works as well as prefabricated steel

and electronic requirements. Most of the material and services used will be provided from within Australia and will generate substantial further employment during the five-year construction phase. In the operational phase of the railway, 240 new jobs will be created in the Northern Territory.

Locomotives: seven to 11 new locomotives will initially be required but this will rise to 27 to 31 locomotives in due course.

Rolling stock: 500 new freight waggons and 25 new passenger cars will be needed when the railway begins operations. This will rise to 2 000 freight waggons in due course. It can be expected that these will be built and maintained in New South Wales and South Australia and will contribute substantially to employment in the iron and steel and heavy engineering industries.

Wider benefits: apart from the employment impacts on a range of Australian industries, the railway will generate other national benefits. It will be an invaluable addition to the national infrastructure and will enhance the nation's productive capacity by stimulating the potential for development of resource based and export oriented industries in northern Australia. It will substantially upgrade northern defence capabilities. Let me say that the railway is strongly supported by defence experts in Australia.

It will create trade opportunities with the rapidly growing South-East Asian region. The railway is of great importance to our State and to Australia. One would have hoped that a Government whose very election slogan was 'bringing Australia together' would support such a necessary project which seeks to do just that. But the options which the Federal Government has presented to the Northern Territory are no options at all.

It is both unfair and contrary to commitments made by Governments for nearly 80 years to expect 1 per cent of the nation's population to fund at least 40 per cent of the cost of a national project. And it is a national project just as the East-West railway was. West Australians did not pay for the *Indian Pacific*.

To expect the Northern Territory Government to find 40 per cent of the cost—an amount of at least $212 000 000—is clearly absurd. That is a burden on every Territory taxpayer of $20 per week for 50 years. The Federal Government has been prepared to spend $500 000 000 to stop a dam in Tasmania, a commitment which has not changed despite alleged changes to the budgetary position. But when it comes to a project of true economic benefit and lasting job creation, the Government places impossible conditions on one of the parties involved.

The Commonwealth's approach is all the more questionable when we look at the extra requirement placed on the Territory that, if it decides to commit itself to funding the railway, $60 000 000 of the Commonwealth's funds will come from money currently set aside to upgrade the Stuart Highway. So the road link will suffer—robbing Peter to pay Paul—or should I say in the case of the Northern Territory—robbing Paul to pay Paul. This places the Northern Territory in a no-win position. To quote Mr Perron in the Northern Territory Legislative Assembly:

> In addition to telling us to find $216 000 000 for the railway, the Federal Treasurer tells us that $60 000 000 of the Federal Government's contribution will come from funds now destined to complete sealing the south road. Now we really are getting into sleight of hand or thimble and pea. First, they tell us to pick up 40 per cent of the tab and then, as an aside, they tell us that part of their 60 per cent contribution would be at the expense of a currently committed Commonwealth project: $60 000 000-worth of sealing for the south road. That project has been in operation for some years. We can have either/or but we cannot have both. What happened to that very early statement from Mr Morris: 'The railway line would be complemented by the sealing of the Stuart Highway south of the Northern Territory border by 1986'. It would complement the railway; now it is either/or. They will take away what we already have to give us 60 per cent of what we do not have.

More than that, this condition imposed by the Commonwealth has created widespread confusion throughout the Northern Territory which continues to this day. Contact with Darwin and Canberra today indicates that no-one is quite sure what upgrading the Commonwealth is referring to. The Stuart Highway from Alice Springs to Darwin is already sealed. It is in good order and there have been few complaints about its condition.

The Hon. C.J. Sumner: Who said that?

The Hon. M.B. CAMERON: I am saying that. I have just said that there is confusion in the Northern Territory and in some people's minds in Canberra about just what is going on in regard to $60 000 000, because the Northern Territory Government is not aware of the $60 000 000 about which the Commonwealth Government is talking. There might have been some confusion in the mind of the Federal Government when it put this figure in, because it might have been unaware that the road was sealed from Alice Springs to Darwin. I hope that is so but, in fact, perhaps the Commonwealth was trying to cover up what was a mistake on its part in making that statement. This point needs to be clarified.

Is the Commonwealth really talking about taking $60 000 000 from the unsealed section in South Australia? That is certainly still considered to be a possibility in the minds of the Northern Territory people—that is how unclear this whole situation is. If so, this would be disastrous for South Australia. The Commonwealth appears to have taken its action without clearly appreciating what upgrading work is being carried out on the Stuart Highway and just how important this work is in the South Australian sector. Its benefits are quite separate and distinct from those associated with the railway. The issue of the Alice Springs to Darwin railway line is of vital importance to all South Australians. We need to show them and the Federal Government that all South Australian members of Parliament are prepared to fight for this economically essential project. The benefits for us are great, as follows:

- More than 2 000 new jobs at least half of which will be in south-east Australia.
- 150 000 tonnes of steel sourced from Whyalla in South Australia. (Surely that must be a point that will be supported by this State and all members of Parliament in this State).
- 2 250 000 concrete/steel sleepers, all of which will be produced in South Australia.
- 100 bridges; 1 000 culverts; and 25 000 metres of pipe, much of which will be produced in South Australia.

In other areas there will be over 240 new permanent jobs in the Northern Territory, up to 31 new locomotives, 500 new freight waggons rising to 2 000 and 25 new passenger cars, a large number of which will be produced in this State. Also, there will be wide economic benefits for the nation as a whole through expanded trade and tourism.

Most importantly, it is absurd that after all this time we have been in this country we are still virtually in the same position that Stuart was when he first crossed this nation where it is probably more comfortable to travel to Alice Springs by horseback. I have just been to the Northern Territory and can tell members that the road leaves a lot to be desired. This is an essential project. It is essential to this State and to the nation as a whole that there is a connection through to Darwin. It is ridiculous that we have not faced up to what was seen as an obvious need back in the early part of this century when the Northern Territory was first ceded to the Commonwealth—that is, a railway line from Adelaide through to Darwin (in other words, from

the rest of Australia through to Darwin). I urge all members to join us in this fight for a railway line that is, in my opinion, and I think in the opinion of all Australians, 70 years overdue.

The Hon. L.H. DAVIS: I rise to support the Hon. Martin Cameron's motion. I do so with a certain nostalgia because for many years while at university I was a conductor on the Ghan, which in those days took considerably longer to travel to Alice Springs than is the case now. It used to take it 48 hours if it ran to schedule.

The Hon. C.J. Sumner: Were you a better conductor than a politician?

The Hon. L.H. DAVIS: I think my passengers were rather pleased with my services. However, one does not support a motion for nostalgic reasons. One supports a motion such as this because it is important, not only to this State and the Northern Territory but to Australia as a whole. During the terms of the Fraser and Tonkin Liberal Goverments an agreement was reached to construct and seal the Stuart Highway south of Alice Springs with a target completion date of 1986. There was also agreement reached to link Darwin and Alice Springs by railway for the bi-centenary year of 1988. The Tonkin Liberal Administration strongly supported both of these proposals.

It should be said, also, that the Labor Party, both at Federal and State level, supported the construction of the Alice Springs to Darwin rail link when in Opposition and, indeed, at a local level supported the construction of the Stuart Highway. The Federal Minister for Transport, Mr Morris, said in March of this year that the Darwin to Alice Springs rail link would be undertaken as a priority, yet less than two months later we see the possible building of this railway line being put in jeopardy because of the onerous nature (the impossible nature) of the terms required of the Northern Territory Government in funding it. There has been an admission by Mr Bowen, Federal Minister for Trade, that the defence potential in the north is abysmal and that this railway link would help in the upgrading of Australia's defences.

The Hon. C.J. Sumner: When did he say that?

The Hon. L.H. DAVIS: That was said during the Federal election campaign. One can certainly argue the economics of this railway link, but I think that the then Prime Minister, Malcolm Fraser, put matters in perspective when he said that, if economic factors were taken into consideration, no railway line linking the capital cities of Australia would have ever been built. As it is, and as the Hon. Martin Cameron has pointed out, this line is 70 years overdue. Sadly, the railways linking the capital cities of Australia are a memorial to provincial pride and stubbornness. For confirmation, one has only to remember that it was Port Pirie that had the doubtful distinction of supporting three different rail gauges.

I am sure that if one examines the history of the railway lines linking capital cities in Australia one will see that there are lessons to be learnt. It is quite apparent that the Hawke Federal Government has not learnt that lesson because the deferral of this rail link at this stage may well mean that it is never built and that succeeding generations will suffer because of the lack of foresight of this Federal Government. The Northern Territory population as at September 1976 was 99 200. By September 1982 that figure had grown to 128 300. That is a growth of 29.3 per cent over a six-year period. The population of Australia in the same period increased by only 8.2 per cent. In other words, the Northern Territory population increased by a factor of some 3½ times that of Australia as a whole. If the population growth experienced in the 1976-1982 period is sustained in future, by 1988 (Australia's bi-centennial year) the population of the Northern Territory will be 166 000 and, by the year 2 000, 280 000.

This railway and the new Federal Parliament House in Canberra will be enduring reminders of Australia's 200th birthday, but the railway will be much more than just a birthday present to Australia in 1988. It has enormous potential for tourism. I have no doubt that it will be one of the great railway journeys of the world. I certainly can testify that the old Ghan travelling at 16 miles an hour was one of the great railway journeys of the world. This also will be one of the great railway journeys of the world, albeit at a rather faster pace than the old Ghan linking Port Pirie and Alice Springs. It will have other obvious great benefits and obvious implications for the upgrading of our northern defence.

It is absurd to think that the Northern Territory, with a population of only 128 000 (which is less than 10 per cent of the population of South Australia and barely 1 per cent of the population of Australia) is being asked to contribute 40 per cent of the cost of this 1 440 kilometre rail link between Alice Springs and Darwin, involving a cost of $212 000 000. I suspect that that sum would be equal to the annual Northern Territory Government Budget payment. I am pleased to note that in the past 24 hours the Premier of South Australia has expressed strong support for the Darwin to Alice Springs rail link.

This motion is moved in a bipartisan spirit. It emphasises the value to South Australia of the rail link and the fact that that link should proceed immediately with total Commonwealth funding. It is quite clear that to ask the State or the Northern Territory to contribute to such a link would not only be a precedent but also be quite patently absurd, because the Northern Territory simply cannot afford to contribute 40 per cent of the cost. I am pleased to note that the Premier has resisted the possibility of being bought off by the proposal that some of the funding for the Darwin to Alice Springs link would come from deferring the Stuart Highway construction south of Alice Springs. It was suggested that $60 000 000 be taken from the Stuart Highway project, which is scheduled for completion in 1986.

The Hon. C.J. Sumner: Wouldn't it be better in a situation of limited resources to ensure construction of the railway by that deferral?

The Hon. L.H. DAVIS: I do not accept that proposal at all. I am quite amazed to hear the suggestion. The Hon. Mr Sumner seems to be acquiescing to the proposal put forward by the Federal Government, and that, in itself, is at variance with what the Premier has had to say in the past 24 hours.

The Hon. C.J. Sumner: I am not acquiescing: in a situation of limited finance, a practical proposition—

The PRESIDENT: Order!

The Hon. L.H. DAVIS: The Hon. Mr Sumner, by interjection, is suggesting that it may be necessary to defer completion of the Stuart Highway by taking $60 000 000 from that project to guarantee and to underwrite the cost of the Alice Springs to Darwin rail link. That is an amazing proposal. The Hon. Mr Sumner calls it a practical proposition: I call it a recognition that the Hawke Government has broken an election commitment, indeed a commitment that the Minister for Transport, Mr Morris—

The Hon. M.B. Cameron: They won the seat of the Northern Territory.

The Hon. L.H. DAVIS: It is a commitment that the Federal Minister for Transport, Mr Morris, expressed to be a priority. There are priorities and priorities in government. If the Minister for Transport in a Federal Government says that this is a priority, one would expect that it is not at the bottom of the list when it comes to Budget cuts. I do not accept the proposition that South Australia should give up

the completion of the Stuart Highway. That project has been under way for many years.

In conclusion, I support the motion moved by the Hon. Mr Cameron, underlining the economic necessity of the project from the point of view of South Australia and the Northern Territory, and underlining the benefits that will undoubtedly flow from tourism transport and the strengthening of our northern defences. This public expression of disappointment in the Hawke Government's decision should be reinforced again by underlining the fact that, if the project to build the Alice Springs to Darwin rail link proceeds, it should not proceed at the expense of rescheduling or cancelling plans to complete the Stuart Highway by the target date of 1986.

The Hon. C.J. SUMNER (Attorney-General): I support the motion put by the Hon. Mr Cameron. Towards the expiry of Question Time yesterday, the honourable member asked me a number of questions about the Alice Springs to Darwin rail link and the Stuart Highway, and I believe that my reply today and my support for the honourable member's motion will provide a response to those questions. The honourable member has outlined what is indisputable, namely, the advantages to South Australia specifically if this project is completed and if there is a continuous standard gauge rail link between Alice Springs and Darwin. There is no question of the advantages that that would provide for South Australia in terms of increased trade opportunities in the long term, and, of course, in the short term jobs would be created in the production of railway lines. I believe it would be difficult if not impossible to argue against the advantages to South Australia of such a rail link.

It is in that light that the Premier, following the announcement of the Federal Treasurer in the mini Budget, took steps to take up this matter with the Federal Government, in particular the Prime Minister. Last Friday, the Deputy Premier conferred on this matter with the Prime Minister in Canberra and expressed the importance of the project to South Australia and urged (I understand) that the project proceed. That action was taken last week in a quite public manner. It would indeed be a pity if the link that is already completed from Adelaide to Alice Springs was not continued to Darwin.

However, what are clear advantages to South Australia must also be assessed in the national interest by a Federal Government that is considering the financial situation of the nation. One argument that is put in relation to the Northern Territory is that already substantial Commonwealth subsidy, taxpayers' subsidy, is used for the development of the Northern Territory. That may be justified; I will not embark on that argument, but there is no doubt that, if one considers the Northern Territory in strictly economic terms from a Federal Government budgetary point of view, one would probably find it difficult to justify the amount of money that goes into the Northern Territory.

On its own, the Northern Territory could not survive: it relies on taxpayers' money—on a huge subsidy from the taxpayers of Australia. No-one would doubt or dispute that if one looked at the matter in strict economic terms. Initially, Darwin existed because of the massive amount of Commonwealth money that was poured into the place by way of public servants' salaries and Government installations in that town. There may be non-economic factors—

The Hon. M.B. Cameron: Such as defence.

The Hon. C.J. SUMNER: Yes, I do not deny that. If one considers defence in purely economic terms, one might say that that action is not economically justifiable. I am supporting the honourable member: there is no need for him to scribble away so that he can refute what I am saying.

All I am saying to the honourable member is that the Northern Territory as an entity is and always has been subsidised by the Australian taxpayer already to an enormous extent. It seems to be somewhat ironic that the Northern Territory Liberal and Country Party politicians continue to espouse the joys of free enterprise when, of course, their very existence relies on an enormous subsidy from the rest of the taxpayers of Australia. That through successive Governments has been justified. It has been justified by Liberal Governments in the past, despite their antipathy to State intervention in economic matters, and it has been justified by Labor Parties as necessary and desirable in the national interest. On strictly economic grounds we have a massive subsidy to the Northern Territory. There is no doubt in that context.

The Hon. M.B. Cameron: What about the uranium programme? If you let that get off the ground you might have it.

The Hon. C.J. SUMNER: I am not arguing that there are not resources in the Northern Territory that will produce wealth to the community. At the present time (and, most members will concede, in the immediate future), there will be a massive subsidy by taxpayers of development in the Northern Territory. It is in that light, no doubt, that the Federal Government considered its attitude to the rail link from Alice Springs to Darwin; that is, there would be a subsidy to the Northern Territory. Our position in South Australia, as put by the Premier, is that that expenditure is justified in the national interest. That ought to be the consideration we look at, not a parochial Northern Territory or South Australian interest. We know the advantages to South Australia and the Northern Territory, but there are other taxpayers in Australia who have to be considered, and we must be firmly convinced that in the national interest that link is necessary. The South Australian Government has taken that view and has made those representations to the Federal Government by discussions which the Premier has had with the Prime Minister and which the Deputy Premier had by specifically going to Canberra last Friday for an audience with the Prime Minister.

The Hon. M.B. Cameron: With total Commonwealth funding?

The Hon. C.J. SUMNER: I will indicate the South Australian Government's attitude, which is in a telex that the Premier sent confirming the position yesterday. Representations were made last week shortly after the announcement was made. I indicate that to the House only because of some suggestions that the Government had not done anything to put the case to the Federal Government. It has put the case; it put the case last week, and it was confirmed yesterday in a telex to the Prime Minister from the Premier. I will read it to the Council so that honourable members can have an indication of the South Australian Government's attitude. The telex stated:

> In response to the meeting my Deputy, Jack Wright, attended on 27 May to present the South Australian position on the Alice Springs-Darwin railway, I make the following points:
>
> My Government strongly supports the earliest possible construction of the Alice Springs-Darwin rail link.
>
> The project is of great national significance in providing the final link in our national railway system, and its commencement would fulfil a long-standing legislative commitment of the Commonwealth Government.
>
> There are clear and substantial benefits to the Australian economy and community associated with the construction and completion of the railway: employment generation, market expansion, mineral development, growth in tourism and defence considerations.
>
> The construction of the railway would, of course, particularly benefit the Northern Territory in enhancing its economic and social development. But from South Australia's perspective also the construction of the rail link would yield substantial benefits in the short and longer-term in the form of increased output and

employment opportunities, especially in the recessed regional economy of the Iron Triangle. Some 50 extra jobs would be created at B.H.P.'s Whyalla plant in the production of steel rails and sleeper reinforcement and fittings, and about 600 jobs would be generated in the manufacture of concrete sleepers and ancillary fittings. Other production and employment opportunities would be created in the tracklaying, earthworks, bridge construction and culvert manufacture required for the construction of the railway.

Completion of the line would widen the market for South Australian products by enabling direct access to Darwin via an efficient transport service. Also, South Australia is likely to attract more domestic and overseas tourism upon completion of the line.

I urge you to reconsider the funding proposal contained in the May economic statement to take account of the capacity of the Northern Territory to meet 40 per cent of the construction costs. Mr Everingham has indicated the extreme difficulty his Government would encounter in contributing funds of this proportion.

I am very concerned that the construction of the railway may not proceed, or will be unduly delayed because of the burdensome financial requirement placed on the Territory by the Commonwealth's current offer.

At the meeting on 27 May 1983, you suggested to Mr Everingham that he consider an independent economic evaluation of the relative merits of expenditure on the railway and the upgrading of the Stuart Highway between Darwin and Alice Springs.

My Deputy agreed to consider lending support to the establishment of a comprehensive inquiry as a possible means of reconciling the differences between the Commonwealth and Northern Territory Governments on the funding of the construction costs of the railway, and, thereby, facilitating an early decision to proceed with construction of the railway.

My Government is willing to consider lending support to the establishment of an inquiry only if it is a thorough study which canvasses all of the issues relevant to a decision on the transport link. The study must go beyond adopting a narrow economic approach, and take into account all relevant economic and non-economic factors within a longer-term framework.

My support for the proposed evaluation study will be strictly conditional on my Government having the opportunity to jointly agree on the terms of reference and to make a submission to the study. All parties would need to be satisfied that the evaluation study will be a true examination of the relevant merits of the two alternative transport systems before giving support to your proposal.

Further, it is vital that agreement on the funding arrangements for the rail link be reached prior to establishing the inquiry. Otherwise, should the study outcome endorse the rail, rather than the road, link we will be back to square one. Your Government would be open to allegations of pre-empting the outcome of the inquiry if there is an agreed funding arrangement for only one of the two alternatives.

I reiterate that South Australia strongly favours the early construction of the Alice Springs-Darwin rail link.

That has made the South Australian Government's position quite clear. I trust that the Federal Government will reconsider its attitude to the rail link. The question of job creation has been very much in the news of recent times, and a considerable amount of Federal money has been and will be made available to various projects throughout Australia for job creation. It could be argued that some projects of job creation do not have a great lasting benefit, although they provide some interim stimulus to the economy and some support for those people who are out of work. However, this project would provide substantial benefits to the economy and in its construction would also contribute to job creation.

The Federal Government should look at the project in that light. One of the problems, no doubt, also affecting the Commonwealth Government's decision is the unfortunate history of railways debts in this country. No railway runs itself, as I understand it, at a profit, so one of the difficulties that ought to be addressed by the Governments of the Commonwealth, Northern Territory and South Australia is to ensure that the railway itself, once established, can be profitable, because it would be a disaster if the capital funds were contributed and made available, the railway constructed and then we found that the railway was an incredible burden on the South Australian taxpayer because it could not operate in commercial terms. That is a matter that needs to be considered. That is, no doubt, a matter which the Commonwealth Government is looking at in trying to find a way out of the matter of the road link *versus* the railway. It may be that both the rail link and the upgrading of the road can take place.

The Hon. M.B. Cameron: The road is already there.

The Hon. C.J. SUMNER: Yes, but it should be upgraded because it is inadequate. However, that is only one of the options. Before proceeding with a decision, it is important that the Federal, Northern Territory and South Australian Governments ensure that a rail link is profitable. I doubt whether the capital cost of a rail link could ever be recovered in the future, but it is important that the economic situation be such that any rail link is profitable.

It is fair enough to provide capital works for a rail link with its associated job creation, because this important link is in the national interest. However, if the rail link is not profitable and is an additional burden on Australian taxpayers, there is good reason to question its economic validity. If those issues have not been addressed already, they should be addressed in submissions made to the Commonwealth Government by Mr Everingham and by South Australia.

Yesterday, the Hon. Mr DeGaris raised the interesting question whether the Commonwealth could be taken to task legally over this matter. Of course, I am referring to the Commonwealth in the context of the past 70 years, because it is alleged that that is when the agreement to build the rail link was first made. I will obtain further information on that matter for the honourable member. The Hon. Mr Cameron's motion accords with the views of the South Australian Government, and I am prepared to endorse its terms. The South Australian Government has taken a stand with the Federal Government in an attempt to ensure the completion of the rail link as originally proposed.

The Hon. K.L. MILNE: The importance of a proper road and rail link between Adelaide and Darwin has obviously been necessary since Federation, or at least since 1911. The advantages of such a rail link for South Australia have been obvious for many years. South Australia has been losing trade to other States. That is a parochial outlook, but a rail link is certainly in South Australia's best interests.

One of the major advantages of this project relates to defence. A rail link between Darwin and Alice Springs is essential for the defence of this country in time of attack from the north. I remind the Council that, during the Second World War, transport facilities were far from adequate. The Hon. Mr Cameron has described the situation most admirably and has been well supported by the Hon. Mr Sumner. There is no need for me to go into any more detail, and I have great pleasure in supporting the motion.

The Hon. M.B. CAMERON (Leader of the Opposition): I thank honourable members for their support, particularly as this motion was brought on at such short notice. It is important that this matter is completed today, before the rising of the Council. It is urgent that the Federal Government understands the views of this Council. I am particularly pleased to receive the Government's support, but the Hon. Mr Sumner has raised one or two matters that I believe require some clarification. I indicated that the Northern Territory is subsidised by the rest of Australia. At the moment, that is a fact. During the Hon. Mr Sumner's contribution I pointed out, by way of interjection, that the Northern Territory is upset with the present Government in relation to that matter.

At the moment, the Northern Territory cannot proceed with its mineral production, which would form a basic part of its economy in the future and which could lead to its not being such a mendicant part of this country. If the Northern Territory remains subservient to the rest of Aus-

tralia, it will be because of the policy of the present Federal Government. The Northern Territory has tremendous potential, but it will remain untapped during the life of the present Federal Government. On top of that, the Northern Territory is being deprived of this rail link which would provide it with at least some basis for industry. I do not believe that the reasons given by the Commonwealth for not giving absolute and total support to this project have any foundation. In fact, I remind the Council that the Commonwealth's total support was promised by the Labor Party at the last election.

In relation to an economic inquiry into the rail project, surely, if there was any doubt at all, the project should have been properly investigated before any promises were made. If promises have been made, they should be kept. At the moment, the Federal Government is using the inquiry to defer this project. An inquiry could proceed for up to three years. It is important that this project gets off the ground. The Federal Government should be told firmly and unequivocally that it must honour its promise to the Northern Territory and South Australia that it would complete the rail link between Alice Springs and Darwin.

In relation to an alternative means of travelling between Alice Springs and Darwin, there is already a road link. Therefore, that is not even a matter for consideration in relation to this matter. The Federal Government must be told by the Government and Opposition Parties of the Northern Territory and of this State that they believe that the rail link should be built in accordance with the terms and conditions laid down by the Labor Party before the election. However, I point out that the Opposition in the Northern Territory has been a bit wishy-washy, saying that the Northern Territory should contribute something. I thank honourable members for their support.

Motion carried.

SHOP TRADING HOURS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 May. Page 1419.)

The Hon. G.L. BRUCE: I oppose this Bill, which was introduced by the Australian Democrats. At the moment, I have been lobbied by only two groups—the United Farmers and Stockowners of South Australia Incorporated and the Meat and Allied Trades Federation of Australia (South Australian Division). As would be expected, the submissions that I have received from both those groups are diametrically opposed. This Bill is an old furphy that is wheeled out again and again. I believe that this situation should be resolved by the parties concerned. If they cannot get their act together, I do not see why Parliament should interfere. This Bill would impose something on the two parties involved, and that is something that neither wants.

I believe that the *status quo* should remain. I find a very interesting contradiction in the two letters that I have received. The letter from the United Farmers and Stockowners of South Australia Incorporated states:

> We refute claims that late night shopping of red meat will mean an increase in price per kilogramme and that butcher shop owners will incur higher overhead costs in the form of penalty payments to employees.

The Meat and Allied Trades Federation of Australia in its letter states:

> Because of compulsory overtime outside an eight-hour day, the extra cost involved will increase the cost of all meat sold 8—10c per kg. This in fact could reduce sales of red meat.

It is an interesting situation. On one hand, one group says that penalty rates will not make the sales of red meat dearer and, on the other hand, another group say that it will. In the hospitality and tourist industries we have people coming from everywhere seeking to abolish penalty rates. Here the industry has said that it does not care whether there are penalty rates. The union claims that such a change will increase the price of red meat, while the United Farmers and Stockowners claims that it will not.

There is an apparent situation of conflict. This Bill has been introduced, I believe, to get us to a situation where it is a matter of contradiction that will not be resolved by the industry members themselves. The situation is best left to the industry to sort out. I have no objection one way or the other. If the industry gets its act together and comes with a united front to tell us what it wants to do, I shall be pleased. Until then, I am not willing to change the *status quo.*

Certainly, I am not in a position to support the Bill, which has been introduced by the Australian Democrats but which has not got popular public support outside Parliament. I have not been lobbied by anyone other than these two organisations, and there are not many people on the homefront who do not have freezers. Indeed, people seem to have a siege mentality when they go shopping for meat. The people who seem to do big business are those selling whole or half sides of sheep. There is no hardship to most people. There is never a time when I do not have meat in my freezer that cannot be brought out for a barbecue or the like. I have not encountered any hardship in my home through not being able to buy red meat on a late shopping night.

I believe that late night shopping on Thursday has become a night out. People do not shop so much for normal everyday items—it is more of a social event. True, some grocery shops are the subject of a spend-up, but for most people it is not an exercise to go shopping for the necessities of life. Therefore, I do not believe that there is any necessity for late night shopping for red meat until such time as the industry members get together and agree that there is a need. That would do away with a conflict of interest. Such a change should not be forced on either one party or the other to do something about which they are not in favour.

The Hon. I. Gilfillan: Do you buy frozen meat?

The Hon. G.L. BRUCE: No, I buy red meat and freeze it.

The Hon. I. Gilfillan: You can buy meat already frozen.

The Hon. G.L. BRUCE: It does not worry me. We encounter no difficulty in buying red meat. There are not too many homes in South Australia which do not have a fridge with a freezer or a separate freezer. There is no hardship of which I am aware. I do not know why the Democrats have got into this act. Perhaps it is just a publicity angle and a good furphy to get a run in the press and keep the Democrats, name in front of the public. The Bill does no more than that. Again, I refer to the letter from the Meat and Allied Federation of Australia, as follows:

> Late night trading experience in other States does not create more sales of red meat, it just transfers sales to other outlets or at other times; this causes a number of shops to close, creating unemployment; also resulting in loss of trade to equipment suppliers.

Another important point is that when one travels through the metropolitan area one finds many isolated small butcher shops that are not mixed up in supermarket complexes or large shopping centres. It could create hardship for people having to attend an isolated butcher shop during late night shopping. Late night shopping, as has been proven, is a success or / in the huge complexes where it becomes a family night out. The smaller shops, isolated, often do not open for late night shopping, and the majority of small butcher shops come into that category. The Bill is before

its time and it is not our right to interfere. Therefore, I do not support it.

The Hon. H.P.K. DUNN secured the adjournment of the debate.

The Hon. I. GILFILLAN: I move:

That the adjourned debate be resumed on motion.

The Council divided on the motion:

While the division bells were ringing:

The Hon. C.J. SUMNER: On a point of order, Mr President, I believe that only one voice opposed the motion.

The PRESIDENT: There were two. The division must go on.

Ayes (3)—The Hons R.C. DeGaris, I. Gilfillan (teller), and K.L. Milne.

Noes (13)—The Hons Frank Blevins, G.L. Bruce, J.C. Burdett, M.B. Cameron, J.R. Cornwall, L.H. Davis, H.P.K. Dunn, M.S. Feleppa, K.T. Griffin, Diana Laidlaw, Anne Levy, R.I. Lucas, and C.J. Sumner (teller).

Majority of 10 for the Noes.

Motion thus negatived.

The PRESIDENT: The Hon. Mr Gilfillan is now entitled to name some other day for the adjourned debate.

The Hon. I. GILFILLAN: I move:

That the adjourned debate be made an Order of the Day for Wednesday next.

Motion carried.

LIBRARY COMMITTEE

The Hon. C.J. SUMNER (Attorney-General): I move:

That the Library Committee have permission to meet during the sittings of the Council this day.

Leave granted.

TOBACCO ADVERTISING (PROHIBITION) BILL

Adjourned debate on second reading.

(Continued from 11 May. Page 1424.)

The Hon. ANNE LEVY: In speaking to this Bill I would first like to inform the Council, for the benefit of those who do not know, what is A.L.P. policy regarding tobacco advertising. The Federal Labor Party policy states, under its health platform:

In co-operation with State, Territory and local governments, a Federal Labor Party will take further action to inhibit the promotion of cigarettes.

The State A.L.P. policy, as part of its health platform, states:

Labor will prohibit advertising and promotion of tobacco products.

These policies have been derived by the Labor Party after much discussion and debate within the Party. They became Party policy as from 1982 and 1981 respectively. I should point out that there is a great difference between promoting and banning something—that where one talks about preventing the promotion of harmful products one does not mean by that that the harmful products themselves should necessarily be banned. Individuals may have the freedom as to whether they smoke or not, in this case, but there is, of course, a vast difference between preventing promotion of a harmful product and banning the product itself.

The Bill before us deals only with the promotion and advertising of tobacco products. The approach of the State Labor Government since it came to office has been a three-pronged one. There is a commitment to foster anti-smoking campaigns, and a recent six-week campaign in the Iron Triangle was judged to be a successful one, and there will be other such promotions to follow.

The Hon. J.C. Burdett: Was that not initiated by the former Government?

The Hon. ANNE LEVY: It does not matter by whom it was initiated; it was promoted by the current Government and was the first of the anti-smoking campaigns which the Government intends to undertake. Secondly, the State Labor Government plans to undertake school programmes so that full knowledge of the possible harmful effects of smoking will be available to schoolchildren. It is much easier, of course, never to take up smoking than to give it up once one has started.

The third prong of the Labor Government approach is to urge a national approach to the banning of all tobacco advertising. I stress the emphasis on a national approach, as it is fairly obvious that local initiatives cannot have anything like the same effect as a programme undertaken nationally.

I should stress that the State Government has indicated that any move towards the banning of cigarette advertising must involve a transition period which will enable sporting and cultural organisations to find alternative sponsors. Under our proposals the Federal Government would be asked to provide financial assistance during such a transition period. There was recently a meeting of Health Ministers from all States and the Commonwealth, and a number of motions were passed by that conference which I would like to indicate to the Council.

First, there was a motion in which the Ministers called on the Federal Government to increase tobacco excise and to allocate at least part of that additional revenue to smoking control programmes. Secondly, the Minister made a specific call on the Federal Government to amend the Broadcasting and Television Act to disallow the broadcasting of so-called indirect tobacco advertising. Thirdly, the conference declared that sports sponsorship was a definite form of tobacco advertising and promotion. It decided that the association of smoking with sport through such sponsorship is unacceptable and contrary to a national smoking policy.

Finally, the conference agreed to explore the possibility of establishing pilot schemes to assist sporting bodies in obtaining alternative sponsorship.

There is no doubt that there is public support for a ban of all types of tobacco advertising on television, and I would refer members to a recent survey of over 2 000 people conducted by McNair Anderson. The question asked was, 'Should televised sporting events which can be seen by children be used to promote cigarettes?': 79 per cent replied 'No', and, interestingly enough, 72 per cent of smokers also said 'No'.

It is obvious that the passing of a Bill such as this could have a considerable temporary effect on sporting and cultural bodies in this State, and doubtless transitional arrangements would have to be made. Such bodies would need to have adequate financial assistance through a realistic period so that they could seek alternative sponsors. There is certainly no evidence from other countries where total bans on tobacco advertising have been promulgated that such action has resulted in a decline in the total advertising available through the media or available to bodies that have received sponsorship from tobacco companies. Other products, advertisers and sponsorships have arisen to take their place, so that the advertising industry *per se* has not been affected by the bans applying in those countries.

Members are probably aware that at present the South Australian Government is attempting to determine just what is the extent of sponsorship by tobacco companies of sporting and cultural bodies. I have been interested to note that the sporting bodies that have contacted us and the type of sports that are currently sponsored by tobacco companies show that, overwhelmingly, sporting bodies that cater for males

are involved. There is very little sponsorship of female sport by tobacco companies, and I believe that this is an interesting observation. The cricket, football, yachting, and so on, which have been referred to, are overwhelmingly male sports, not female sports.

It seems to me that, if female sports are able to manage without tobacco company sponsorship, male sports also should be able to do so. Estimates indicate that between $500 000 and $2 000 000 is received by sporting organisations annually in this State from the tobacco industry, but recent approaches to those bodies by the Minister of Health should enable a better indication of the extent of such sponsorship. The information, of course, can then be used to enable transition arrangements to be made when sponsorship from tobacco companies no longer occurs.

In summary, the Bill before us contains admirable principles, which are certainly supported by members on this side. However, there are many practical reasons why the South Australian Government does not intend to act to rule out brand name displays through corporate advertising at this time. It would be quite futile for one State to go it alone in this matter. Obviously, a State Government can have no control over what appears on television: Federal Governments must take action in this regard. Likewise, a ban on newspaper advertising here would affect only newspapers that are published in this State and could have no effect at all on the very large number of newspapers, journals and periodicals that come into South Australia from the Eastern States. This sort of problem must be tackled at a national level: very little can be done at a State level.

We must all acknowledge that there is inexorable pressure from a growing majority of responsible and concerned organisations and individuals in our community for a national ban on all forms of tobacco advertising, and to enable further consideration of the matter before us and to indicate support of the principles, I support the second reading of this Bill.

The Hon. DIANA LAIDLAW secured the adjournment of the debate.

STATUTES AMENDMENT (HOUSE OF ASSEMBLY DIVISIONS) BILL

Adjourned debate on second reading.
(Continued from 11 May. Page 1430.)

The Hon. ANNE LEVY: I strongly oppose this Bill, which has been introduced by the Hon. Mr Gilfillan and which changes the method of election for the House of Assembly in this State from single-member electorates to multi-member electorates, elected on a proportional representation basis. There have been many arguments in favour of the proportional representation system, and these have been presented to the Council on numerous occasions. I would like to stress that many of these arguments in favour of proportional representation are purely theoretical and, while they look nice on paper, we must remember that there are two sides to the argument and that there are other points worthy of very strong consideration.

While on paper such a system may have benefits, in practice I believe that the opposite would occur. I want to speak not so much on the Bill itself but to discuss the merits of the current single-member system that applies in the House of Assembly. I see three major merits of such a system. First, it results in identification of the local member of Parliament with his or her electorate. This is a very desirable characteristic of single-member electorates, and most certainly it does occur.

Such identification does not occur to anything like the same degree in multi-member electorates. If honourable members will not accept my word for it, they might be interested in the words of a Mr Hodgman, who has recently retired as President of the Legislative Council in Tasmania. Tasmania has often been held up to us as a model for a P.R. system, seeing that it has a Hare-Clark system for its House of Assembly, but its Legislative Council is based on single-member electorates. Mr Hodgman has been a Liberal member of both Houses; he was first in the House of Assembly and then moved to the Legislative Council, and has recently retired. He said:

> Our Lower House is completely back-to-front as far as the general concept of a governing House is concerned. The members simply represent their Party in the electorate. They can't be held responsible within the electorate.

And, of course, he was referring to the fact that in the House of Assembly in Tasmania each electorate has seven members, which is the proposal which the Hon. Mr Gilfillan is putting forward for our House of Assembly. Mr Hodgman went on to say:

> It is our [Legislative Council] members who truly represent the interests of their electorates. Ask people to name their members of the Lower House and they very often cannot, but they know their [Legislative] Councillor.

In all honesty, one must say that the same applies in this State: a very large number of people know and identify with their Lower House member, whom they regard as representing their individual area, and they do not have anything like the same identification with the members of this Council, who are elected on a State-wide basis with a P.R. system.

Another great advantage, of course, of the single-member electorate system is the simplicity of the ballot-paper which results. One can say that single member electorates are just as democratic as multi-member ones, but in different ways. If we have the mechanics of voting so complicated that people become confused and disenfranchise themselves by voting informally, this is not democratic. Invariably, far less people stand in single-member electorates than in multi-member electorates. Consequently, any system which will keep the voting procedure as simple as possible can be regarded as more democratic, as the voting can then be handled by more people, who can therefore express their opinions. In this regard, single-member electorates, again, are more democratic than multi-member electorates.

We must remember that the two greatest democracies which the world knows today are the United Kingdom and the United States. Both of these base their voting systems on single-member electorates and, in this respect, it is quite irrelevant whether we are considering first past the post or preferential voting. That is a different issue, which has nothing to do with whether one has single-member electorates or multi-member electorates.

Finally, what to me is one of the best features of single-member electorates is sometimes criticised as being a deficiency. Nevertheless, it is a very important result of having single-member electorates; that is, by and large, there is a bonus for the winner of the election with regard to seats. The fact that the winning Party may achieve a greater proportion of seats than it achieved in votes is not a minus, but a plus, as it increases the chances of stable government.

The Hon. I. Gilfillan: What about democracy, though?

The Hon. ANNE LEVY: I have already said that single-member electorates are just as democratic as multi-member electorates, and in some ways can be regarded as more democratic. I should stress, of course, that I am taking for granted that under either system the boundaries would be equitable, there would be no gerrymander, and we would have a one vote one value system. But, if you have a bonus for the winner, as we have with single-member electorates,

in general this results in Governments which have workable majorities.

A great deal can be said for having a system which results in stable government, and in which any Government which is elected on a platform can carry out that platform, while acknowledging, of course, that the electorate must have the ready ability to change the Government at the next election should it be dissatisfied with the Government's performance. A great deal can be said for stable government and for not having small minorities determining the course of government in a particular State.

In summary, on paper, proportional representation is a very nice idea, but I do not see it as being at all appropriate to the workings of the Lower House in a Westminster system of government. I oppose the second reading.

The Hon. K.T. GRIFFIN secured the adjournment of the debate.

PLANNING ACT REGULATIONS: DEVELOPMENT CONTROL

Order of the Day, Private Business, No. 4: The Hon. R.C. DeGaris to move:

That regulations under the Planning Act, 1982, concerning development control, made on 4 November 1982 and laid on the table of this Council on 8 December 1982, be disallowed.

The Hon. R.C. DeGARIS: I move:

That this Order of the Day be discharged.

Order of the Day discharged.

REAL PROPERTY ACT REGULATIONS: REGISTRATION OF DIVISION PLANS

Order of the Day, Private Business, No. 5: The Hon. R.C. DeGaris to move:

That regulations under the Real Property Act, 1886-1982, concerning registration of division plans, made on 4 November 1982 and laid on the table of this Council on 8 December 1982, be disallowed.

The Hon. R.C. DeGARIS: I move:

That this Order of the Day be discharged.

Order of the Day discharged.

REAL PROPERTY ACT REGULATIONS: REGISTRATION OF DIVISION PLANS (AMENDMENT)

Order of the Day, Private Business, No. 6: The Hon. R.C. DeGaris to move:

That regulations under the Real Property Act, 1886-1982, concerning registration of division plans (amendment), made on 25 November 1982 and laid on the table of this Council on 8 December 1982, be disallowed.

The Hon. R.C. DeGARIS: I move:

That this Order of the Day be discharged.

Order of the Day discharged.

STAMP DUTIES ACT REGULATIONS

Adjourned debate on motion of Hon. R.C. DeGaris:

That regulations under the Stamp Duties Act, 1923-1982, concerning credit and rental duty, made on 24 February 1983, and laid on the table of this Council on 15 March 1983, be disallowed.

(Continued from 11 May. Page 1433.)

The Hon. C.J. SUMNER (Attorney-General): In moving this motion, the Hon. Mr DeGaris commenced his remarks by pointing out that the regulations themselves were not the real problem. Therefore, I presume that he is not seriously asking the Council to disallow these regulations. Nevertheless, I am happy to explain the situation. The Hon. Mr DeGaris stated that the problem stems from the very nature of the stamp duty on credit and rental transactions. The Government shares this view. Since the action proposed by the Hon. Mr DeGaris would not rectify the problem but merely frustrate the Government in its attempt to honour an undertaking given by the previous Government, to protect the revenue, the best course would be to allow the regulations to stand. I refer to an undertaking given by the previous Government about differential rates for stamp duty.

It is a fact that the present duty is paid predominantly by finance companies and therefore falls on those who borrow from finance companies. In general, these are likely to be people who can least afford to pay extra charges. Their credit standing is probably such that they would find it difficult to obtain finance from the banks and comparable lenders. Possibly, for the most part, they are lower income earners or people with higher risk business propositions.

There appears to be no good reason to discriminate against such borrowers and, indeed, an argument could be made for discriminating in their favour. The Australian Finance Conference has been putting this argument to Governments for years but, until recently, has foundered on the very real practical problem of convincing them to substitute another tax which would affect different groups of people in ways difficult to assess. In South Australia, there has been the difficulty of convincing a small State to take the risk of possible dislocation of its capital markets by adopting a tax structure markedly different from that of other States.

With the introduction of a financial institutions duty in the major Eastern States, the situation has changed. The Government is now better placed to give serious consideration to the introduction of a similar duty and the abolition of certain stamp duties, including that on credit and rental transactions. It is interesting to note that the views of the Hon. Mr DeGaris are moving in this direction. However, the new tax is still in its early days and the Government would prefer to learn from the teething problems of the Eastern States before giving detailed consideration to the introduction of a similar measure in South Australia. Moreover, it is not self-evident that the rate of 0.03 per cent adopted in New South Wales and Victoria would be appropriate in South Australia, where the relationship between the size of the broader financial market and the finance company sector may be different from the relationships which exist in the Eastern States.

For these reasons, the Government would not wish to be hurried into a decision about a financial institutions duty. Our attitude towards such a duty would not be influenced by the passing or disallowance of these regulations. The regulations establish for the first time a higher threshold rate for building societies than for other financial institutions (except for credit unions, which have long enjoyed preferential treatment).

The Hon. R.C. DeGaris: Do you believe that they should receive preferential treatment?

The Hon. C.J. SUMNER: As I have already said, there may be some inequities in the present situation. The present Government does not seek to defend this discrimination on grounds of strict logic. However, when interest rates were at their peak, the previous Government gave an undertaking to provide the building societies with greater freedom in the area of commercial lending in return for an assurance that the societies would not raise house lending rates further. The new Government felt bound by these understandings

and, accordingly, has introduced the regulations in their present form. The effect of disallowing them would be to nullify the undertaking given to the building societies by the previous Government, since the threshold rate for building societies would revert to 17.75 per cent, as would the rate for other financial institutions (except credit unions).

In this State, credit unions have for many years enjoyed a margin of 2 per cent above the standard threshold rate. At one time, this preference might have been justifiable on the grounds that credit unions were small, co-operative organisations with low levels of financial expertise and so needed to offer higher interest rates to attract funds and to provide the necessary margin for safety. This argument is now more difficult to sustain as credit unions have become larger and more sophisticated. However, the rate of change differs between individual credit unions and some are still relatively small.

More importantly, the whole structure of credit union interest rates is built upon the assumption that the present differential will continue and it would be very difficult for the managements of the credit unions to adjust their rates in the short term if their threshold rate were reduced to the same level as for other financial institutions. The Government decided that it would be best to retain the 2 per cent margin in favour of credit unions, at least until the future of this form of stamp duty becomes clearer.

The point should be made that disallowing these regulations would not remove the present preference given to credit unions, since it is authorised in the previous regulations. Thus, if the motion were to succeed, it would not remove fully the discrimination to which the the Hon. Mr DeGaris has referred. The immediate effect of disallowing the regulations would be to restore the standard threshold to 17.75 per cent and the credit union threshold to 19.75 per cent. As mentioned previously, this would prevent the Government from honouring an undertaking given by the previous Government to the building societies.

More importantly, it would place an existing source of Government revenue under threat. If the threshold rate for stamp duty purposes were not permitted to decline along with interest rates in the market, the point could be reached where loans which have always attracted duty, under Governments of both political complexions, became exempt by virtue of their interest rates falling below the threshold. The actions of members of this Council would then have the effect of interfering directly with the Government's Budget strategy by impinging on a source of revenue which raises about $12 000 000 a year.

Whatever one's attitude towards the desirability of reducing taxation, this would seem to be an inappropriate way of going about it. The Government has a deal of sympathy with the views expressed by the Hon. Mr DeGaris about the shortcomings of the present legislation and the desirability of replacing the duty with a tax which covers all financial institutions. However, the Government does not intend to be hurried into a decision on this matter.

The disallowance of these regulations would not directly remove the features of the present situation which the Hon. Mr DeGaris finds unsatisfactory. The Government must resist any attempt to influence the situation indirectly by motions which have the effect of interfering with its traditional revenue-raising powers. The sensible course, in the circumstances, would be for honourable members to allow the regulations to stand and to support the Government in its attempts to find a more equitable method of raising revenue. The Premier and Treasurer has assured me that full consideration will be given by Cabinet to any submissions which bring forward relevant material to help in the consideration of financial institutions duty, credit and rental duty and related tax matters. The remarks of the Hon. Mr DeGaris and other members will be taken into account.

The Hon. R.C. DeGARIS: I think the Attorney-General has summed up my motives for placing this motion on the Notice Paper.

The Hon. C.J. Sumner: Was that a legitimate tactic?

The Hon. R.C. DeGARIS: The first tactic was to allow people to come and give evidence before the Subordinate Legislation Committee. The point raised in the evidence given to that committee is quite valid. I am pleased that the Attorney-General has examined this question. I agree with the Attorney's remarks. There is no possibility that this regulation can be disallowed, because it will only take us back to the present situation. Overall, it is a difficult problem where stamp duty is applied to interest rates over a certain amount. The credit unions and building societies are exempt from that type of duty.

The Hon. C.J. Sumner: Your friend, Mr Lachlan, will not be happy with you.

The Hon. R.C. DeGARIS: I do not think that that matters much at all. Nevertheless, people who wish to borrow money at high rates of interest are taxed for doing so. I think the Council should understand that point. I hope that the Government will do something about this anomaly in the future.

Motion negatived.

STATUTE LAW REVISION BILL

Read a third time and passed.

WORKERS COMPENSATION ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 31 May. Page 1703.)

The Hon. K.L. MILNE: It is most unfortunate that the Government should bring in a Bill of this kind at this stage of the session, when Parliament is rising on Thursday. We had considered voting against the Bill because, as it stands, it will undoubtedly cause an increase in workers compensation premiums and add more difficulties to South Australia's deteriorating economic situation. Nevertheless, this or something like it, was an election promise and we feel that it should not be rejected out of hand.

Therefore, we have tried to separate those clauses which we think will make South Australia a pace-setter, causing increases in workers compensation premiums, from those which are consistent with the provisions in other States and which will not be an additional burden on the employers, or at least not a significant one. Consequently, our attitude is this: clause 4 will be opposed, to retain the two-year rule for limiting the lodging of claims for noise-induced hearing loss. However, we have agreed to the removal of the 10 per cent threshold for deafness, because no other mainland State has it and employers can gain protection under section 74 by undertaking hearing tests of employees on entry to and on retirement from their employment. An employer is able to limit his liability for cases of noise-induced hearing loss that arise in the course of a worker's employment. Responsible employers with noisy jobs undertake such tests and, if tests are undertaken on entry, the employer has no reason to discriminate against 'mature workers'.

Clause 6, and this is the real heart of the Bill, will be opposed in its entirety, because it would make South Australia a pace-setter in costs. Clause 7 *(b)* we will want to

amend so that the existing section 69 (12) remains. This amendment flows from our opposition to clause 4. Clause 8 we seek to amend substantially by giving the court discretion to determine the factors to be disregarded in reviewing weekly payments whereas, in the Bill, it was mandatory. Clause 10 we seek to amend so that a worker receiving compensation is obliged to attend the rehabilitation unit for counselling, and removes the responsibility of issuing certificates of default from the unit's Executive Officer.

The real imposition on employers is contained in clause 6, as this has by far the most significant effect on premiums. The effect of the other clauses should be insignificant in cost. In the Minister's second reading explanation he foreshadows a total review of workers compensation and injury problems. I agree with that entirely. He probably has the Queensland system in mind, with a separate commission specialising in workers compensation and nothing else. I understand that Queensland premiums are very much lower than those in any other State.

I have thought for a long time that injury insurance and the benefits paid to injured workers should not be a responsibility of the private insurance companies. It should not be an area of profit or of loss, for that matter. The whole community benefits from the work of factory workers and the whole community should pay for their safety requirements and their compensation when they are injured, as regrettably thousands are every year.

I appreciate that the transition period to a commission would have a number of difficulties, particularly with obligations which already exist for the present insurance companies and which would be relying on the continuation of a premium cash flow. However, I do not think that this would be beyond the wit of the Government and the companies to agree upon. It might be a suggestion for the insurance companies interested to form a consortium to operate as a co-operative to handle workers compensation on a non-profit basis.

What has happened since March 1982 is that the economic situation in South Australia, particularly in the metal manufacturing industries, has deteriorated very badly indeed. Therefore, for the Government to try to make South Australia the pace-setter is counter-productive. Every time the Government tries to make South Australia take the lead, it has caused unemployment. But no-one seems to worry about this at all. The attitude of the community seems to be that the unemployed are history, that technology has caused it all and there is nothing one can do about it. I do not accept that.

The Hon. G.L. Bruce: Bad management causes most of it.

The Hon. K.L. MILNE: Bad management causes some of it, not all of it. Meanwhile, this Government wants to keep on as if South Australia was experiencing an economic boom. It has had certain reforms which it wanted to bring in for years and it is going to do it—come hell or high water. This is surely unwise and is not in the interests of the State. Workers compensation premiums have risen so fast, for a number of reasons, that they have caused a real problem to manufacturers, particularly in a labour-intensive industry like the building industry. One of the reasons, unfortunately, is that, no matter how much safety equipment employers provide and how much safety training is provided, it is very difficult to persuade employees to use it or wear it.

The Hon. G.L. Bruce: I would not say that that is true.

The Hon. K.L. MILNE: I am afraid that it is. I will give the Council an example of what happened to workers compensation for a typical metal manufacturing company in South Australia, as these figures show:

Premiums	Percentage of actual payroll
1979 $291 000	2.87
1980 $354 000	2.78
1981 $463 000	3.13
1982 $820 000	4.58
1983 $1 350 000	7.11

In regard to the 1980 figure, the amount went up but the percentage went down.

The Hon. R.C. DeGaris: Are you quite sure that those figures are accurate?

The Hon. K.L. MILNE: They have come from a very reliable source. The Hon. Mr Burdett has correctly quoted the workers compensation payments made in the other States, but he omitted to include in his figures relating to other States the accident pay agreements in existence in New South Wales, Victoria and Queensland. Accident pay agreements in other States have been necessary to endeavour to raise the benefits to injured workers to the legislative level of payments at present existing in South Australia. In Queensland, New South Wales and Victoria in the metal trades industry accident pay agreements exist between employers and trade unions to make-up benefits to the level of actual earnings, and so on. In New South Wales, for the first 26 weeks of total incapacity a worker is entitled to receive, in addition to the statutory compensation payment, the difference between that amount and his normal weekly (38-hour) wage.

The Hon. J.C. Burdett: What about after 26 weeks?

The Hon. K.L. MILNE: In New South Wales it only goes to 26 weeks.

The Hon. J.C. Burdett: That is what I am asking you about.

The Hon. K.L. MILNE: A partially incapacitated worker is entitled to receive the difference between any statutory compensation paid, together with any amount earned on 'light duties' and his normal weekly (38-hour) wage. In Victoria, except for the first five days after an incapacitating injury and then for the next 52 weeks, a worker is entitled to receive the difference between the statutory benefit and his normal weekly wage.

In Queensland, the agreement provides full make-up of pay for the first 26 weeks of incapacity. In South Australia and Tasmania there are no agreements, as the legislation provides for full cover of average weekly earnings or award wage. Even then, the legislation and agreements interstate do not provide for overtime earnings, shift allowances, site disability allowances, attendance bonus payments, fares and travelling allowances, tool allowances, multi-storey allowances, special rates, or other similar payments.

Unfortunately, the average person in the street never understands the implications of wage and salary rises—nor does he or she have it explained. The trade union leaders do not understand it, either. If they did, they might not have taken some of the questionable industrial action that we have become accustomed to enduring. For the record, let me give three examples of how remuneration is calculated by employers when they are costing their various products or planning their budgets. They cannot simply cost a certain person's wage at the award rate, plus supplementary payment (over-award payments) plus overtime. There are a number of hidden costs which must be included, as I shall now demonstrate.

I will speak to these figures first and then ask permission of the Council to have them inserted in *Hansard* without my reading them. The first of my examples involves clerks, first-year adult service—group 3, and is prior to the recent increase awarded in April this year. The commission awarded that increase during the pay pause, which I think is quite interesting. It also awarded an increase to storemen and

packers which I find equally interesting. The weekly award wage for these clerks, first-year adult service—group 3, is $225. Pay-roll tax payable on that amount is 11.25 per cent; workers compensation 0.545 per cent or $1.23; long service leave provisions $5.63; annual leave provision, $18.75 (this is per week); 17.5 per cent leave loading, $3.28; sick leave provision of 10 days, $10.76; public holidays, 11 days, $11.79, making a total of $287.69. This results in an additional cost over wages to an employer of $62.69 or 27.9 per cent. Therefore, the employer has to pay nearly 30 per cent more than what people assume is the award wage.

Case 2 in my example involves labourers who are on a weekly award wage of $211.40. The total cost, as with the first example, rises to $307.44, which is $96.04 more than the award wage. In other words, it it nearly $100, or nearly 50 per cent, more than the award wage. Workers compensation amounts to 17.3 per cent, so every worker costs $36.57 a week for that. In case 3 of my example, which involves fitters, the weekly award wage is $255.70. Workers compensation is 11.8 per cent or $30.17, and the total cost is $355.72. The additional cost to the employer is $100, or 39.1 per cent. We must realise that these figures are rather astonishing and often overlooked. I feel that they might be overlooked by commissions and other organisations responsible for making wage decisions.

It is worth noting that since 1965 the differential in labour costs between Victoria, one of our major markets, and here has deteriorated. I will again give three examples. The following figures show the differential between South Australia and Victoria expressed as a percentage of what is paid in Victoria and taking Victoria as 100 per cent. In 1965, the clerks award was 91.7 per cent and in 1982, 97.5 per cent (nearly parity, but a deterioration of some 6 per cent). The figure for shops (shop assistants) in 1965, was 100.86 per cent (already more than Victoria), and in 1982, 102.6 per cent (substantially higher than Victoria). The metals (South Australia award) figure was 88.7 per cent in 1965 and 101 per cent in 1982 (an increase of 11.3 per cent).

Honourable members should note the last figure, because it is the killer for the metal trades in South Australia, the white goods industry and heavy industry. No wonder our metal industries can no longer compete. No wonder General Motors-Holden's is closing its Woodville plant. No wonder our unemployment is increasing so rapidly. I do not believe that people have considered the differential between South Australia and the other States, on which our industrial base was built.

It should also be noted that sick leave and long service leave, in regard to both of which South Australia is a pacesetter, have contributed significantly to the change in these differentials. Workers in South Australia receive 10 days sick leave as opposed to eight days in Victoria, and workers in South Australia receive 13 weeks leave after 10 years of service, not 15 years, for long service leave. That does not sound much, but one should try to work it out in one's budget to see what happens. I now insert in *Hansard*, without my reading it, the statistical table to which I referred previously.

WORK CATEGORIES

Case I

Clerks (1st Year Adult Service—Group 3): (prior to the recent increase awarded in April this year).

	$
Weekly Award Wage	225.00
Pay-roll Tax (5%)	11.25
Workers Compensation (0.545%)	1.23
Long Service Leave Provision	5.63
Annual Leave Provision	18.75
17½% Leave Loading	3.28
Sick Leave Provision (10 days)	10.76
Public Holidays (11 days)	11.79
Total	$287.69
Additional cost to employer ($)	62.69
Additional cost to employer (%)	(27.9%)

Case II

Labourers (AWU Construction and Maintenance Award Part 1, General, Group 1):

	$
Weekly Award Wage	211.40
Pay-roll Tax (5%)	10.57
Workers Compensation (17.3%)	36.57
Long Service Leave Provision	5.29
Annual Leave Provision	17.62
17½% Leave Loading	3.08
Sick Leave Provision (10 days)	10.93
Public Holidays (11 days)	11.98
Total	$307.44
Additional cost to employer ($)	96.04
Additional cost to employer (%)	(45.45%)

Case III

Fitters (Metal Industry (S.A.) Award Classification G10):

	$
Weekly Award Wage	255.70
Pay-roll Tax (5%)	12.79
Workers Compensation (11.8%)	30.17
Long Service Leave Provision	6.39
Annual Leave Provision	21.31
17½% Leave Loading	3.73
Sick Leave Provision (10 days)	12.23
Public Holidays (11 days)	13.40
Total	$355.72
Additional cost to employer ($)	100.02
Additional cost to employer (%)	(39.1%)

I must conclude by saying that I do not support the Bill entirely. It is band-aid legislation, in my opinion, reversing considered legislation introduced by a previous Government with undue haste and insufficient need. It is being introduced at a very bad time, when the industrial base in South Australia is faltering, and I for one do not wish to be part of a move that I believe will hasten its decline. In Committee, I will move the amendments to which I referred, but I would far rather be a party to an urgent review of the whole workers compensation system in this State, and I would happily support legislation, a select committee, or a working party to that end.

Then, we could go to the public, the employers, the employees, and the Parliament and say, 'Between us we have designed a new method of coping with the dreadful problem of injury to workers in commerce and industry. The premiums will be lower, the benefits will be better and we commend it to you all.' I honestly believe that that can happen, and I urge Mr Bannon (the Premier) and Mr Wright (the Deputy Premier and Minister of Labour) to move to this end as fast as they can.

The Hon. DIANA LAIDLAW: Initially, I would like to commend the Hon. Mr Milne for concentrating on wage differentials. I believe that it is far overdue that the Council considers this matter. There is no doubt in my mind that this matter is a contributing factor in the decline and the possible loss of further jobs in this State. This Bill, as the Hon. Mr Milne and the Hon. Mr DeGaris have acknowledged, contains a number of features with which I too have no objection. The move to exclude umpires and referees

from the operation of the Act is one such feature. However, it is a minor feature in comparison with the main elements and purpose of the Bill, namely, the repeal of four provisions which were agreed to by a majority of members of this Council, including the Hon. Mr Milne, just over one year ago.

The Government is seeking now to repeal the 5 per cent levy on the weekly payments of a worker who has been off work on compensation for more than 12 weeks; to repeal the 10 per cent threshold on a hearing loss claim; to remove the requirement that a worker, who retires on account of age or ill-health, to make a claim for noise-induced hearing loss within two years of the date of his or her retirement; and to reintroduce overtime and site allowances for the purposes of calculating average weekly earnings.

I object to and intend to oppose these measures both for specific reasons and for a number of general reasons. I oppose them, however, not simply for the pleasure of doing so nor because I am anti the working man and woman. First, I believe that the Government is in error in introducing this Bill at this time. I acknowledge that the measures are part of its industrial relations policy, but the Government has already set a number of precedents which do not now justify the rush to introduce this Bill, on the basis of honouring promises. In a number of instances the Government has reneged on major commitments it made to the electorate last November, for example, its oft-repeated commitment not to increase or to introduce new forms of taxation, while it has made clear in respect of a host of other policy promises that it cannot implement them forthwith, but will do so progressively over its term in office.

Also, the measures which the Government seeks to repeal came into force barely six months ago after a long, intense and at times ugly debate in this Council. In the short interval since, there has been insufficient time for the measures to operate effectively or for the Government to have the opportunity to gauge their effectiveness.

Further, I fail to understand why this Bill is necessary at this time when the Minister acknowledged in his second reading explanation that the provisions of the Act will be the subject of an extensive review later this year. The Minister has stated:

> This review is intended to examine not only the existing provisions of the Act but also its basic approach to the whole question of injury compensation.

When this extensive review is undertaken, that will be the appropriate time to consider the selective measures incorporated in this Bill, especially as the Government knows that these measures are controversial and that opinion in the community is deeply divided.

Last but not least on the matter of timing, I believe that it is utterly inappropriate and insensitive of the Government to introduce this Bill at this stage when it knows that unemployment in this State is horrendously high and when it knows also that the private business sector, like the whole economy of the State, is in a fragile, tenuous position. The Premier, no less, acknowledged these facts in an excellent address to the national economic summit in Canberra last month, and the Government has taken steps to help both situations by increasing on two occasions the threshold for the payment of pay-roll tax. I applaud the latter move, but what the Government is doing in effect with the introduction of this Bill is negating, in one fell swoop, the positive aspects of the pay-roll tax concessions which, in the Government's own words, would have helped business to survive and maintain existing levels of employment. I repeat that by this measure the Government is negating its own initiatives to maintain and, hopefully, stimulate employment opportunities.

There is no doubt that the principal measures outlined in this Bill will force businesses to pay higher premiums and that the businesses that will suffer the most as a consequence and in turn the employees who will suffer the most will be those involved in small business enterprises or in industries that are labour intensive—the very same businesses that are battling at present for their survival against more efficient and competitive overseas operations, and against mounting wages bills and falling productivity. Members opposite may decry the emphasis I place on the profitability of both small business and labour intensive industries, but I stress that the employers are the ones who have to find the means to pay people and to keep them in their employment.

It is in the State's interests, therefore, that we in this Parliament pay regard to the profit margins of industry in this State, especially the margins in small business and labour intensive industry. It would be counter-productive and foolhardy to impose extra imposts on these operations when they are struggling to remain competitive and to maintain employment. The Bill before us imposes such imposts, and accordingly I oppose it.

I acknowledge that the real costs of workers compensation cannot be expressed only in monetary terms, but equally in terms of human suffering, long-term disability and rehabilitation. Until the former Government introduced amendments to the Workers Compensation Act last year, the entire Act on compensation was addressed in terms of monetary gain. The former Government's amendments, which were passed with the assistance of the Hon. Lance Milne, diverted the emphasis to rehabilitation and to the long-term interests of the injured worker.

I welcome the reference, therefore, in the Minister's explanation that this Government is also strongly committed to the important role to be played by rehabilitation in getting an injured worker back to work as soon as possible, and that it supports the activities of the Workers Rehabilitation Advisory Unit. The emphasis on rehabilitation must be maintained, and I suggest in this respect that some financial inducement to return to work is an imperative element.

Until recent years, compensation payments in this State were inadequate and many workers suffered hardship when injured because of insufficient benefits to maintain their families. This situation does not apply today. Compensation is at least as generous, and in some instances, as the Hon. John Burdett noted, more so than that available under Acts of other mainland States. Yet, this Government now seeks to redress the balance in favour of the injured worker in comparison with the person at work.

The Government is seeking to return to a situation which existed prior to 1982, when an employee who had worked overtime in months past but was not doing so now could receive more money by being at home than at work. This preferential treatment concerned a great many working people at the time, and they spoke of the need to change this part of the Act. This is not surprising, because a great majority of workers in South Australia are not only conscientious but are, above all, honest. Even the former Premier, Mr Dunstan, acknowledged the inequities and the resentment that this arrangement generated in the work force when he said on 18 June 1976:

> The Government is seeking to ensure that a person on workers compensation will not receive more while he is away from work than he would if back on the job.

Yet, it is these inequities and these resentments which the Government intends to reinstate by its amendment to reintroduce overtime and site allowances for the purposes of calculating average weekly earnings.

Before I conclude, I wish to comment, albeit briefly, on the amendment to remove the two-year rule for limiting

the lodgment of claims for noise-induced hearing loss. This amendment is perhaps the most important of the four that I alluded to earlier. It would require insurance companies and businesses to keep their files open for years, perhaps even up to 30 years, during which time the business and the insurer would have to provide contingencies for possible claims and liabilities. This is grossly unfair.

This is a burden that companies should not have to bear and makes it virtually impossible for insurers to determine and plan for their actual future commitments. Accordingly, they would charge—and this is not surprising—the companies a premium that would be higher than would be necessary simply to cover this uncertainty. We should not encourage so blatantly such an increase in costs. In fact, we should facilitate measures that will help companies reduce their costs and pass on these savings for the benefit of the companies and those employed by those companies.

Workers compensation is a complex matter, and the present legislation is fair to all parties. I do not believe that we should tamper with it in a piecemeal fashion, when the Government has conceded already that it intends to implement an extensive review in the near future. The best course for the Government would be to expedite this review rather than introduce this Bill, the only positive effect of which has been to inflame opinion and serve a king hit to businesses in this State. I oppose the second reading.

The Hon. C.J. SUMNER (Attorney-General): The Bill seeks to remove some fundamental inequities which were introduced into the Act by the former Government, notably in the following areas: the removal of the 5 per cent rehabilitation levy; the abolition of the 10 per cent threshold on hearing loss claims; and the inclusion of overtime and site allowances in the calculation of average weekly earnings. It also seeks to give effect to the Government's policy that an injured worker should be entitled to no more, nor less, than he would have received had he continued to be at work.

Opposition to the Bill has centred around unsubstantiated allegations that the amendments would result in a 15 per cent increase in workers compensation insurance premiums, which would lead to unemployment. Advice received by the Government from insurance industry sources has revealed that the amendments would have only a minimal effect on premium costs—a maximum of 5 per cent increase, and most likely only 2 to 3 per cent.

The Government believes that this Bill contains a number of important measures which are of significance for the South Australian community. While it is heartening to see the support of the Democrats for, in particular, the abolition of the 5 per cent levy and the 10 per cent hearing loss threshold, it is disappointing to see the attitude of Opposition and Democrat members to the restoration of the full average weekly earnings.

I thank honourable members for their contributions. I am disappointed to see that the Liberal Opposition has decided to oppose outright this legislation. Nevertheless, I am pleased to see that in some respects, at least, the Democrats are prepared to see the wisdom of the Government's approach.

The Hon. Diana Laidlaw: Why don't you expedite the review?

The Hon. C.J. SUMNER: A number of amendments are on file. Expediting the review is all very well. The honourable member has been in the Parliament only a short time and probably does not realise that these reviews often take a considerable period. A review of a tripartite committee which reviewed workers compensation legislation and accident compensation in the industrial sense in this State was established over three years ago by the previous Labor Government. It reported, and nothing was done about it. It was a full inquiry; people travelled overseas to Canada and New Zealand, came back and produced a report which the Liberal Government tossed in the bin.

The Hon. M.B. Cameron: But would you act on your report?

The Hon. C.J. SUMNER: The Hon. Diana Laidlaw says, 'Why don't you wait for the review?' There was a review which took a considerable time—a matter not of weeks but of months or years—before it was finalised, but it was presented to the previous Liberal Government and was tossed out. Now the honourable member is complaining because the Government in the interim wants to make some amendments to the Act to remedy some of the inequities which were introduced into the legislation by the Liberal Government.

The Hon. J.C. Burdett: Couldn't you leave it to the next session? It is too hasty.

The Hon. C.J. SUMNER: Too hasty? The Bill has been on the Notice Paper since 11 May. On my calculations, that is three weeks ago. It is only 1 June. From 11 May to 1 June is apparently not long enough for the Hon. Mr Burdett to comprehend these changes to the Workers Compensation Act.

The Hon. R.I. Lucas: Most people in this community would not have a clue what the Government is doing.

The Hon. C.J. SUMNER: That is a reflection on Her Majesty's loyal Opposition, I would have thought. The Bill has been introduced, is available to the public, and is available to members and the whole community. If honourable members opposite cannot draw enough public attention to this area, that is their problem. The Government introduced this measure in the Council on 11 May—it was introduced in another place. That means that this Bill has probably been around Parliament for about a month. If some members consider that that is not long enough to consider this legislation, I believe they should resign from Parliament and go back to their legal practices or to something that is a bit more relaxing than their present position. I believe that members on this side, including the Hon. Mr Milne, have been able to comprehend this legislation in the four weeks that have been available.

The Government has been in office for six months, and this Bill has been before Parliament for about one month. I cannot understand how honourable members opposite can say that they have not had time to consider it. The Hon. Miss Laidlaw interjected and said that we should wait for the review. There has already been a review, but it was not used by the previous Liberal Government. A review takes some time to complete; in the meantime, these amendments can be implemented, because they are not particularly complicated. Honourable members opposite should have been able to determine their attitude to the Bill in the month that has been available to them.

At this stage, the Government intends to give qualified support to certain amendments without further consideration in another place. As I have said, it is disappointing that the official Opposition has taken such an intransigent attitude to this measure. However, I am pleased to see that the Democrats are being reasonable on some aspects. No doubt these issues can be considered in the Committee stages.

The Committee divided on the second reading:

Ayes (7)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall, M.S. Feleppa, I. Gilfillan, K.L. Milne, and C.J. Sumner (teller).

Noes (6)—The Hons J.C. Burdett, M.B. Cameron (teller), L.H. Davis, H.P.K. Dunn, K.T. Griffin, and Diana Laidlaw.

Pairs—Ayes—The Hons B.A. Chatterton, C.W. Creedon, Anne Levy, and Barbara Wiese. Noes—The Hons R.C. DeGaris, C.M. Hill, R.I. Lucas, and R.J. Ritson.

Majority of 1 for the Ayes.
Second reading thus carried.
In Committee.
Clause 1 passed.

[Sitting suspended from 6.9 to 7.45 p.m.]

Clause 2 passed.
Clause 3—'Arrangement of Act.'

The Hon. J.C. BURDETT: I oppose this clause. This is one of the Parts of the Bill which relate to the rehabilitation fund, which was set up last year when the Act was introduced by the previous Government and passed with the support of the Hon. Mr Milne. A rehabilitation fund was established and it was provided that, after 26 weeks, 5 per cent of the payment should be paid into that fund. The package which the Liberal Party supported last year passed in this Parliament with the support of the Hon. Mr Milne. It was designed largely to retain a sound and equitable compensation scheme and, at the same time, not to knock employment in South Australia. Much of the emphasis—

The Hon. C.J. Sumner: Which clause is this?

The Hon. J.C. BURDETT: Clause 3, which deals with the costs of administering this Part in regard to Division V. It relates to the rehabilitation fund. For that reason, I oppose the attempt in this Bill to destroy that fund, and what I am saying is relevant to that. I believe that the rehabilitation fund has been part of the package which has been successful. From my inquiries and from the reports provided to me, I believe that injured workers on compensation go back to work more rapidly, as is instanced in the six months since the Bill passed last year, than they did previously. I agree with the Hon. Mr DeGaris and the Hon. Mr Milne that, in the short term, the existence of the fund and the payment of the 5 per cent do not mean that the employer, the employee or the insurer pay any less.

The Hon. Mr Milne in his second reading speech made much play on what has happened interstate. In the Eastern States, in most cases, after 26 weeks there is a very substantial reduction in the computation of pay. In the case of the current legislation, the legislation introduced by the previous Government and passed during the time of the previous Parliament, there is no lessening in what the employer pays: he pays the same amount, but it does not all go to the employee; some of it goes to the fund.

I cannot understand what the problem is when interstate generally there is a much greater reduction than 5 per cent. In this case, the 5 per cent still goes to the benefit of employees who are on compensation, but this is part of the deal which has meant that generally speaking those unfortunate employees who are on compensation do tend to go back to work more rapidly than they did before because of the incentive to do so. In his reply, the Attorney-General referred to the Liberal Party's intransigence about this Bill. That is rather silly, because it was only last year that the Act, which this Bill seeks to amend, was passed. Why should we change our mind?

The Hon. M.B. Cameron: We did not rush it.

The Hon. J.C. BURDETT: No. There has been nothing in the meantime to suggest that what we did then, with the support of the Democrats, is wrong. There is no reason why we should change our minds. I have no idea why the Hon. Mr Milne has changed his mind, unless he has made a deal with the Government, which I suspect he has.

The Hon. K.L. Milne: What?

The Hon. J.C. BURDETT: It was fairly obvious from the Attorney's reply.

The Hon. K.L. Milne: What are you hinting at? Cut it out.

The Hon. J.C. BURDETT: I have said what I have said, and that is it. Otherwise, the honourable member should tell me why he has changed his mind. He has not told us in his second reading speech why he has resiled from the decision that he took last year when the provisions in the Act, which this Bill seeks to repeal, were passed.

The Hon. Diana Laidlaw: Do you think his colleague influenced him?

The Hon. J.C. BURDETT: I do not know.

The Hon. K.L. Milne: No, he does not understand.

The Hon. J.C. BURDETT: Do you? This clause relates to the rehabilitation fund—otherwise there is no reason for it to be there. In regard to the previous Act anyway, those provisions which are intended to be repealed now, the emphasis which the previous Government placed was on employment, on equity, but on employment, to see that nothing was done which at a time like this (and the Hon. Mr Milne in his speech referred to this time and the financial affairs of the State) would discourage employment.

It is certainly my assessment in regard to this clause, and in regard to most of the Bill, that, if it is passed, there will be a disincentive to employers to employ extra people or even to retain employees. As I said in my second reading speech (and I think the Hon. Mr Milne said something fairly similar), what disturbs me is that the Labor Party seems to support everything for those who are in employment and pays no regard whatever to people who are not in employment; and it does not matter whether they get the job or not. I oppose this clause, which relates to the rehabilitation fund.

The Hon. C.J. SUMNER: The honourable member has chosen clause 3 in which to debate the rehabilitation fund, although it is dealt with substantially by clause 5.

The Hon. J.C. Burdett: This clause is relevant to the rehabilitation fund.

The Hon. C.J. SUMNER: I am not being critical of the honourable member, who should not be so sensitive about these matters. I am merely explaining to the Committee what he has done, so that we can have the debate on the rehabilitation fund and deal with it in regard to clause 3, and what happens on clause 5 will be consequential.

I oppose the honourable member's remarks and proposition that the Committee should delete clause 3. The Government takes the view that if a person is hurt at work then any rehabilitation costs should flow from that injury in the same way as medical expenses should flow from it. In other words, the costs of rehabilitation are shortly categorised and classified as medical expenses. As to expenses to the workman flowing from the injury, the Government feels that it is not equitable to, in effect, say to that workman, 'You must pay for your own rehabilitation.' That would be like saying, under the Workers Compensation Act, 'You, the workman, must pay a proportion of the medical expenses which flow from your injury.' I think that when one considers that rehabilitation expenses are, after all, an expense directly related to an injury and can be categorised, therefore, as similar to medical expenses, the equity of the option is arguable.

The Labor Party, when in Opposition, opposed this provision when it was introduced by the former Government. We do not believe that a workman should have to pay an expense which has been incurred as a result of his being injured at work. This is a fundamental difference in approach between ourselves and the Opposition. I would like to know upon what logical basis the Hon. Mr Burdett feels that his proposal is justified. I would have thought it fairly obvious that the expenses of rehabilitation would ensure that the worker has the facilities, after rehabilitation, to be placed back in the work force or in his physical or mental condition to the position he was in, as far as possible, prior to his

being injured. That, surely, is the aim of medical treatment following injury, and it is the aim of rehabilitation treatment following injury. To my way of thinking they are similar expenses and should be borne in a similar way under the Workers Compensation Act.

The Hon. G.L. BRUCE: I think that the Hon. Ren DeGaris summed up the matter nicely when he said that nothing cheapens the premiums of workers compensation, because the same amount must be paid and the 5 per cent taken from the workers compensation paid to the worker is no saving. That is the big argument used by the Hon. Mr Milne and members on the other side. This is not a cost-saving factor. The small percentage, 5 per cent, that the worker has taken out of his payments after 26 weeks is only tokenism and amounts to nothing in the running of the department or anything else. The Hon. Ren DeGaris pointed out that there is no cost-saving factor to the insurance company or to anybody else through this, so I do not see why a worker should have to pay for his own rehabilitation.

The Hon. J.C. BURDETT: The Attorney-General did not explain why there is a deduction from the compensation paid in the Eastern States after 26 weeks.

The Hon. C.J. Sumner interjecting:

The Hon. J.C. BURDETT: Of course it is not. The simple fact of the matter is that in the Eastern States the compensation is reduced by more than 5 per cent; the worker is deprived of more than 5 per cent of his payment. The previous Government approached this matter very humanely (much more humanely than in the Eastern States). One reason for this provision was to enable rehabilitation to be provided. That, surely, is humanitarian. Another reason was to provide an incentive for a worker to return to work. The Hon. Ren DeGaris correctly said that this does not cost the insurance company or the employer a different figure, but it does provide the worker with an incentive to return to work.

As I have said before, during the short period of operation of the Act passed by the previous Government reports I received have been that there has been a much greater incidence of returning to work. I do not know why the Attorney is attacking the legislation, which was passed by the previous Parliament with the support of the Hon. Lance Milne, if he considers what happens in the Eastern States where there is a bigger reduction after 26 weeks. That money does not go into a rehabilitation fund; it is simply a bonus to the employer and the insurance company that is not paid. I believe that the former Government was very sensible and reasonable and did take account of the rights and obligations of both parties by merely setting a 5 per cent reduction in payment after 26 weeks and not a bigger one, and by not just letting that reduction be a bonus to the employer and the insurance company but letting it be of some benefit to the worker. I oppose this clause and will be opposing the other clauses which relate to the rehabilitation fund.

The Committee divided on the clause:

Ayes (8)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne, and C.J. Sumner (teller).

Noes (7)—The Hons J.C. Burdett (teller), M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, K.T. Griffin, and Diana Laidlaw.

Pairs—Ayes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese. Noes—The Hons C.M. Hill, R.I. Lucas, and R.J. Ritson.

Majority of 1 for the Ayes.

Clause thus passed.

Clause 4—'Time within which notice and claim must be given or made.'

The Hon. K.L. MILNE: I oppose this clause, which deals with the length of time after retirement within which claims can be made. For some reason, I am sure that, because it does not understand the situation, the Government is trying to do away with the two-year limit. The Hon. Miss Laidlaw put the case very sensibly. In effect, the insurance companies that handle workers compensation would have to keep a file for each individual, which they would have to go through every six months or once a year. The number of files would increase, and the contingent liability, from a statistical calculation of claims, and the number of claims as against the average number of people would increase. The number would be considerable, because as some people become older they get deafer, and if there was no limit the claims would be larger, there would be more of them, and the number would be unknown. Insurance companies would guard against this by increasing premiums.

As the Hon. Miss Laidlaw stated, this is one of the major faults of the Bill, because the sum involved could be very significant. The maximum claim for a 100 per cent loss is, or will soon be, $40 000. It does not take many large claims of, say, 50 per cent of $40 000, to reach the $1 000 000 mark. If claims for deafness are to work properly, the system must be controlled and administered correctly. I believe that the Government, when it has thought over the matter, will agree. I seek to delete this clause.

The Hon. C.J. SUMNER: I ask the Committee to support this clause. I do not believe that there is validity in the comments of the Hon. Mr Milne. He is saying that industrial deafness should be treated differently from other injuries and that, if a person is to make a claim for industrial deafness, he should make that claim within two years of leaving employment. The fact is that that does not apply to other injuries. There are certain restrictions in any event in bringing forward claims if an alleged injury occurs. One has to overcome certain procedural obstacles in order to bring a claim. The question is why industrial deafness should be treated differently from any other injury.

The fact is that the onus is on the worker to prove, on the balance of probabilities, that he sustained an injury arising from or in the course of his employment. He does not automatically get compensation just because he is deaf. The worker has to produce credible medical evidence and any other evidence that he can find to establish to the satisfaction of the court not that he might have sustained industrial deafness as a result of his employment, not that he could have sustained industrial deafness, but that it is more probable than not that he did sustain industrial deafness, so there is an onus on the worker to establish the criteria in the Act that would enable him to obtain compensation. The argument is why a distinction should be drawn between other injuries and industrial deafness.

The fact is that obviously there is greater difficulty in establishing on the balance of probabilities that industrial deafness occurred than in establishing that a medical injury where, say, a worker's hand is caught in a press or something of that kind, occurred. That injury is immediately obvious to anyone and is easier to prove than is industrial deafness. However, in regard to industrial deafness, the worker must prove to the satisfaction of the court that the injury occurred, not that it might have occurred but that it is more probable than not that it did occur. On that basis, given the court's decision and with the criteria that must be satisfied, the Government cannot see why in logic a distinction should be drawn, in relation to either time limits or to the threshold, between industrial deafness and other injuries.

The Hon. J.C. BURDETT: I support the deletion of this clause. Hearing loss in itself, as I stated in the second reading stage, is very prevalent. It happens to most of us. A lot of hearing loss is age induced, but some of it is

employment induced because of noise, and there can be a difficulty in establishing the cause. At times in this Council I have thought that some of my hearing loss could be attributed to industrial reasons, and I have wondered whether I should claim compensation.

The Hon. M.B. Cameron interjecting:

The Hon. J.C. BURDETT: No, I am not blaming the Leader. Originally, the Government of the day proposed a 12-month limit, which the Hon. Mr Milne, who is usually sympathetic towards the plight of the disadvantaged (and for that I admire him), extended to two years, to which we agreed. This matter is most important, because it can be difficult to establish whether hearing loss occurred through work, age, or attending discos or some other thing. Thus, there should be a cut-off point.

I am informed that it is a terrible burden on employers and insurance companies to have to keep files open for ever on a matter such as this. Insurance companies must determine premiums, and if there is no reasonable way in which to determine the risk and the premiums, the companies are likely to make the premiums too high rather than too low. That will bounce back on the employer. In a matter such as this, as the Attorney quite correctly stated, if a worker's finger is cut off, it is obvious: there is no problem establishing that. However, if one suffers hearing loss and if that loss is work induced, surely two years after retirement is a reasonable time in which one should make a claim.

Surely one knows within two years of having retired whether or not one has suffered work-induced hearing loss. There is, I am told, a very substantial expense and problem to insurance companies and employers in having to keep the files open for perhaps 30 years on the matter of hearing loss. For those reasons, to create a reasonable time—and two years is an almost more than reasonable time—for the claim to be made is quite proper. I support the proposal of the Hon. Mr Milne and oppose clause 4.

The Hon. L.H. DAVIS: I also join my colleague, the Hon. Mr Burdett, in supporting the proposal of the Hon. Mr Milne. The Attorney sought to draw a parallel between hearing loss and other injury suffered in the work place. If one loses a finger one has lost a finger, but if one suffers hearing loss it may not be a loss resulting only from the work place. It may also result from age and the normal wear and tear that one experiences in hearing over time.

The Hon. C.J. Sumner: In that case, you haven't proved your case.

The Hon. L.H. DAVIS: Certainly one has not proved one's case, but the honourable member sought to draw a parallel between injury suffered in the work place and hearing loss. I remake the point quite clearly that hearing loss is more complicated, as the Hon. Mr Burdett rightly pointed out. If employers are forced to keep records beyond a two-year period, as the Bill before us currently proposes, it would lead to an administrative burden—a further cost to employers. Indeed, if one looks at the trends in employment, one sees that people are retiring at 60 instead of 65 and are living through to the age of 80 rather than perhaps 75, as was the case a few years ago. One may well have the possibility of someone making a claim for hearing loss associated with the work force many years after retiring, and the employer may well be disadvantaged if the records have been lost or misplaced. It may well be that they will advantage someone who is long retired in succeeding in a claim which he does not deserve to succeed in.

A two-year limit is reasonable and sensible, given that measures can be taken by the employer, certainly, when someone joins the work force and also by the employee if he believes that he has suffered hearing loss. Those measures are available to him; he has some responsibility. I do not believe that all the obligations should rest with the employer. There has to be balance and common sense in workers compensation legislation, and I believe that the Hon. Mr Milne's proposal does that.

The Hon. DIANA LAIDLAW: I support the Hon. Mr Milne in his call to delete clause 4. I would like to note, initially, that the Attorney has deliberately tried to confuse the issue because in workers compensation there are two types of injury: the defined injuries, which are the loss of a hand, finger or leg; and also industrial sickness, dermatitis and hearing loss, which are quite a different matter in determining the reasons for compensation. They really cannot be compared as easily as the Attorney tried to do tonight.

I agree with the Hon. Legh Davis that two years seems an extremely reasonable period. People know if they have suffered a loss within that period. I also believe that there must be some responsibility on the part of the persons themselves for their own health and that they cannot simply leave that up to others. The Attorney mentioned that the onus is on the worker to prove the claim, and therefore he sees no reason to maintain the two-year limit. The point is really that, if the worker has difficulty in proving the case, it really will not make any difference whether it is two years or longer. Therefore, I see no reason why we should open up the whole issue when the Attorney is well aware that genuine concerns are held by industry and the insurance companies for the course that the Government is adopting at present.

The Hon. M.B. CAMERON: I support the move for a two-year cut-off point because it is impossible for people to determine even up to that period—and certainly after that period—just exactly what caused deafness. There has to be a point at which it can be assessed. People after they leave their former occupation can take up all sorts of occupations, including hobbies. It would be very difficult for an insurance company to follow people around to determine just what activities they took up after they left their employment. That can be a very important fact.

They may take up a hobby and not take proper safeguards in that hobby that could cause a real problem in terms of deafness. It is impossible for an insurance company or former employer (but particularly the insurance company) to determine the cause of the particular problem. One cannot tell me that after two years a problem can occur that in medical terms can be proven absolutely and beyond reasonable doubt. This is a very reasonable proposition and one which I am sure that the Government on reflection will accept. I urge the Government to accept this proposition.

The Hon. C.J. SUMNER: The employer could overcome the situation by regular testing of the employee if an employee finds himself in a noisy environment. I would have thought that a prudent employer would take that safety measure.

The Hon. M.B. Cameron: He can do all those things and be slammed afterwards.

The Hon. C.J. SUMNER: If he has done that he will have a record of a hearing loss at the time that the employee leaves the employment; so he would then be able to determine quite simply whether a claim lodged by the employee for noise-induced hearing loss was valid; he would have records. The other thing records of regular tests in a noisy environment would do from the safety point of view would be to ensure that an employer was aware of whether or not over a period the noisy environment in his factory or wherever was excessive. He would have some means of identifying more readily than now the extent of the noisy environment and of the damage that may be caused to the hearing of employees.

That is a safety measure for employers. If this Government's proposal is passed, an incentive will exist for an employer to use those safety measures. At the moment, an

employer may be disinclined to do that. It is still up to a worker, in the whole context of a case, to establish his claim. A question was raised about the distinction between an obvious injury and an industrial disease. There are other industrial diseases beyond industrial deafness which do not have the restrictions that apply in this case.

The Hon. DIANA LAIDLAW: In many instances employers regularly test their employees for hearing loss. Employers also provide earmuffs and other safeguards at considerable expense in industries where there is excessive noise. I have been advised that many of the people working in a noisy environment conscientiously resist wearing safeguards such as earmuffs, which are provided for their protection. That is of increasing concern to many employers. There is no point in further burdening industry with increased costs when the onus is clearly on workers to prove their claims.

The Committee divided on the clause:

Ayes (6)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall, M.S. Feleppa, Anne Levy, and C.J. Sumner (teller).

Noes (9)—The Hons J.C. Burdett, M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, I. Gilfillan, K.T. Griffin, Diana Laidlaw, and K.L. Milne (teller).

Pairs—Ayes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese. Noes—The Hons C.M. Hill, R.I. Lucas, and R.J. Ritson.

Majority of 3 for the Noes.

Clause thus negatived.

Clause 5—'Compensation for incapacity.'

The Hon. J.C. BURDETT: I oppose this clause. It is another of those clauses that pertain to the rehabilitation fund. I spoke on this matter in some detail in relation to clause 3. I do not intend to repeat all those matters. The situation in other States is that after 26 weeks the reduction is much greater than 5 per cent and it does not go into a rehabilitation fund; it is simply a bonus to the employer and the insurance company. I believe that the rehabilitation fund was a reasonable provision, which was supported by the Hon. Mr Milne. However, the Hon. Mr Milne has now decided that he can no longer support that provision.

The Hon. DIANA LAIDLAW: The Minister in charge of this Bill in another place, the Hon. Mr Hemmings, when referring to rehabilitation, said:

> Accordingly, in acknowledgement of the Government's active interest in the benefits to be gained from rehabilitation, it proposes to itself financially support the work of the Rehabilitation Advisory Unit. Cabinet has already approved an allocation from general revenue for this purpose.

There was no similar reference in the Attorney-General's second reading explanation in this Chamber. Why was that part excluded and what is the sum that Cabinet has approved as the allocation from general revenue to the rehabilitation advisory unit?

The Hon. C.J. SUMNER: I will have to obtain that information for the honourable member and let her have a reply either later in the evening or by letter.

The Hon. I. GILFILLAN: I feel obliged to comment on the reason for deleting the 5 per cent. The Hon. Mr Burdett suggests that injured workers are encouraged more readily to return to work through the deduction of 5 per cent. That means one of two things: either one suspects that the worker is malingering, which is the basis on which the calculations are made, or there is a real risk that, because of financial penalty, the worker has to go back to work before being properly rehabilitated. Neither of those positions I accept, and I believe it is wrong in principle to assume that the injured worker is malingering. To encourage the rehabilitation process it is more effective for there to be a good relationship between the worker and the rehabilitation unit. Therefore, there should be no financial penalty incurred in that way. It is a wrong interpretation that has been made by the Hon. Mr Burdett, which is why I believe the 5 per cent should not be deducted.

The Hon. C.J. SUMNER: I can provide an answer to the earlier question of the Hon. Miss Laidlaw. Regarding the speech that I gave earlier, I have no idea why any reference made by the Hon. Mr Hemmings in another place was absent from my explanation. I am advised that the speech was revised.

The Hon. Diana Laidlaw: Has the Government changed its mind?

The Hon. C.J. SUMNER: No.

The Hon. Diana Laidlaw: The speech is half the length of that made in another place.

The Hon. C.J. SUMNER: That is right. The honourable member as usual is most observant. I suppose the people responsible for revising these speeches felt that we did not want to weigh down the Council with an explanation of the same detail as that provided in another place, realising perhaps that members in this Council generally are more with it than are those in another place. The Government did not change its mind between the time of the delivery of the speech in another place and in this Council. I am advised that $40 000 for the financial years 1982-83 and 1983-84 will be provided, that being the sum that was apparently recouped from the 5 per cent levy on workers.

The Hon. Diana Laidlaw: Is that $40 000 for a full financial year or a half year from January to July?

The Hon. C.J. SUMNER: It is the sum for a full financial year, which apparently is the amount recouped from the fund from the 5 per cent levy. The point was made earlier that the amount recouped from the 5 per cent levy was not substantial. They are the figures.

The Hon. Diana Laidlaw: The 5 per cent levy was collected over six months.

The Hon. C.J. SUMNER: I have told the honourable member that the $40 000 was made available in this financial year, and I have said what will be available in the next financial year.

The Committee divided on the clause:

Ayes (8)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne, and C.J. Sumner (teller).

Noes (7)—The Hons J.C. Burdett (teller), M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, K.T. Griffin, and Diana Laidlaw.

Pairs—Ayes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese. Noes—The Hons C.M. Hill, R.I. Lucas, and R.J. Ritson.

Majority of 1 for the Ayes.

Clause thus passed.

Clause 6—'Certain amounts not to be included in earnings.'

The Hon. K.L. MILNE: I oppose this clause. This clause, along with the clause providing for the two-year limit, would cause the greatest expense and cause insurance companies to increase premiums. My reason for opposing this clause is that these items are not included interstate and, unless and until they are, it would be extremely foolish for South Australia to try to be the trendsetter in this area.

I know that this is something in which the Government would prefer to be involved, but employer organisations and industrialists are concerned that it is kept out. This is one case where it will be significant and will affect insurance premiums. Having set the two-year period and in opposing this clause, which I hope we can succeed in doing, I do not think that anything else that is left in the Bill will alter the premiums to any extent, unless the insurance companies wish to do so on purpose.

I do not think that there will be any need at all to raise premiums. This is not done interstate. It probably is done in the Public Service, but that is not what we are talking about in this Bill. I suggest that this clause should be opposed.

The Hon. G.L. BRUCE: This clause relates to wages and to the making up of overtime. I draw the attention of members of this Council to an anomaly I saw in the speech of the Hon. Mr Burdett during the second reading debate when he said that overtime is very properly earned by working additional hours. That is not true in certain cases. I gave one example of a person working 40 hours and receiving 44 hours pay. That person is locked into a position in a particular industry for the whole year because one of the days that is worked is Saturday or Sunday. If they work on Sunday they get time and three quarters or pay for 46 hours having worked only 40 hours.

The Hon. M.B. Cameron: They still get a pro rata payment.

The Hon. G.L. BRUCE: There is no overtime involved; the person gets paid on a rate over 40 hours.

The Hon. M.B. Cameron: They know that when they get the job.

The Hon. G.L. BRUCE: They are looking at a wage for 40 hours plus a penalty rate. If these people will not work on the penalty rate days then their job is denied to them. They must work on those days. What members opposite are saying to those people is that they are not going to get when on compensation what they would have got for working their normal 40 hours.

The second reading explanation states that the Government accepts the basic principle that an injured worker should be entitled to no more or no less than he would have received had he continued to work. Unfortunately, the 1982 amendment removed from the calculation of average weekly earnings calculations for overtime and site allowances. The present Bill seeks to restore that situation. The Government recognises that factors may change in the workplace so as to render payments for overtime or site allowances inappropriate.

The Bill therefore widens the powers of the Industrial Court applying to weekly payments. At present the court can only take into account variations in remuneration that take place in award rates. Under the new provisions it will be able to take into account a much wider range of factors. Surely that is a safeguard and better than the system based on average weekly earnings. I did not agree with the system where a worker on compensation could get more than the worker in the workshop.

The Hon. M.B. Cameron: But you opposed our changes.

The Hon. G.L. BRUCE: Yes, because you took certain things away completely. If you had decided to include this clause I would have supported it.

The Hon. M.B. Cameron: You didn't try to amend the Bill to what you now say is acceptable.

The Hon. G.L. BRUCE: You would not have accepted it.

The Hon. M.B. Cameron: You didn't try.

The Hon. G.L. BRUCE: You are not accepting it now. The people I am talking about are in an industry which is not a highly paid one. There are also the industries where people get two or three months of overtime a year and where there is no other overtime available. Those people make hay while the sun shines. This applies, for instance, to vintage in the wine industry. If, through no fault of his own, a worker is off on workers compensation during such an overtime period he is denied the rate of pay going at that time. Why should a worker not receive the same rate of pay and enjoyment as other workers at his workplace? I cannot see where what we are asking is inequitable. I know that the Democrats are going to oppose this clause and that I am a voice in the wildnerness—

The Hon. M.B. Cameron: Are you saying that Dunstan was wrong when he introduced the original Bill?

The Hon. G.L. BRUCE: I do not think that it is right for a person not working to get more than his fellows in the workplace. This is a better proposition than the previous one, which contained an anomaly because a situation could arise where a worker could stop home and be paid more than his workmates at work. This clause does not attempt to do that but attempts to give a worker exactly what his workmates are getting. I do not see anything wrong with that. The average working man saves no money and lives from week to week. Then suddenly, through no fault of his own, he may be denied the wage he would have got had he worked. I strongly urge members of this Council to consider this clause favourably.

The Hon. J.C. BURDETT: The Hon. Mr Bruce says that the Bill proposed by the Government will remove a position whereby a person can get more money when on compensation than he could if he went back to work. It does not necessarily do that at all. It does give the commission an opportunity to take that into account, but there is no guarantee whatever that it will. With regard to the other matter raised by the Hon. Mr Bruce, I did say that a person who had worked overtime and had earned additional money was not entitled to additional pay when on compensation. He raised the example of people in the liquor and similar industries who do not necessarily work extra time but incur penalty rates because of the times, days or hours they work. That is a disability that they incur through working on weekends or nights when other people are not working. I suggest that if they do not incur that disability then they should not get paid for it while on compensation.

The major issue is the one raised by the Hon. Lance Milne. I support his proposal, which will result in overtime, site allowances, and so on, not becoming part of the computation for workers compensation. This does not occur interstate, as the Hon. Mr Milne has said. He seems to regard that as being his criterion for everything. The main point is that the paying of overtime and site allowances being taken into account in the computation of average weekly earnings has been the killer for insurance companies and employment in this State.

The Hon. M.B. Cameron: And a killer for the State.

The Hon. J.C. BURDETT: Exactly. These are not times of plenty and we must have regard for not only those in employment, who must be properly rewarded, receive proper rates of pay and compensation when they are injured, but must also consider those people who are not employed and who are surely much more disadvantaged. It seems to me that this was in the past, and will be in the future, the killer in employment—this taking overtime and site allowances into account in the computation of workers compensation. It will destroy opportunities for people which could be employed but who, if this kind of thing happens, will not be employed. The Hon. Lance Milne I think correctly said that this is one of the major issues in this matter. I support his stand.

The Hon. L.H. DAVIS: I join with the Hon. Mr Burdett in supporting the Hon. Mr Milne's viewpoint. It seems extraordinary that the Government has chosen this time to introduce this package of amendments to the Workers Compensation Act given that it was only recently reviewed, but more particularly because the economic circumstances prevailing in South Australia make it singularly inappropriate to introduce measures which only have the effect of increasing costs to employers.

Paradoxically, this clause in particular, far from helping workers, will perhaps make it more difficult for workers to hold jobs or to find new jobs. In the second reading debate, I made the point (which I do not believe can be debated)

that in the building and construction industries, where the workers compensation premiums may be as high as 16 per cent, even if one takes the low figure of an effective 5 per cent—

The Hon. K.L. Milne: For builders it is 36 per cent.

The Hon. L.H. DAVIS: I am taking a reasonable figure, 16 per cent, as an average. If one takes 16 per cent as the figure for workers compensation premiums in the building industry and assumes that this package of measures increases the cost of those premiums by 5 per cent, one sees that the result is a 1 per cent increase in real wage costs. That is a back door wage increase at a time when the economic summit has agreed to a wages freeze.

I do not understand why the Government is taking this action at this time. I would be interested to hear from the Attorney what consultation he has had with employer groups, what consultation the Government has had with insurance groups, and whether the Government has sought to measure the economic impact of these measures and, in particular, of this clause that we are now discussing. Certainly, where premiums are high (as in regard to the building and construction industries and forestry groups), industry will be particularly disadvantaged. At least two employers have told me that, while the cost increases will not be enormous and while they accept that there may be a 5 per cent or a 6 per cent increase (perhaps a little more), it is the straw that will break the camel's back. It is a clear sign from this Government, in the light of the fact that the national economic summit within the past month has called for restraint, that it is not exhibiting the common sense for which the Prime Minister called.

Members should look at the Premier's policy speech, in which he stated that there are many good reasons why institutions would like to set up in South Australia, one reason being that we have a low cost structure. I ask the Attorney how he can possibly justify these moves and whether he can undertake to explain to the Council why the Government has introduced the measures, what is the economic impact, what are the views of the employer groups, and what the insurance companies have said to the Government about these packages. No-one would dispute the fact that workers compensation legislation in South Australia at present is at least on a par with that in other States.

The Hon. Mr Burdett has already made the point that this clause, if carried, will reintroduce overtime and site allowances in the calculation of average weekly earnings for those on workers compensation. Although the Hon. Mr Bruce tried to claim that it would also ensure that on no occasion would a person on workers compensation receive more than his fellow workers who are still on the job, I dispute that, and I ask the Attorney whether he agrees with his colleague.

My reading of the proposal is that it is true that overtime and site allowances are being reintroduced and that a person on workers compensation could receive more than a person in a comparable job who is still working. As the Hon. Mr Milne has properly stated, this is certainly the most costly clause from the point of view of the employers and of the State's economy. As I have said, it may well prove costly for the workers as well. I oppose the Government's proposition and support the amendment.

The Hon. M.B. CAMERON: I listened with great interest to what the Hon. Mr Bruce said tonight, and I must say that I was somewhat surprised to hear that he did not agree with the former workers compensation provisions as proposed by the Dunstan Government. I would presume that, in stating that he did not agree with the way in which average weekly earnings were decided under those provisions, the honourable member was saying that it was just as well a Liberal Government was elected in 1979. Can the honourable member honestly tell me that, if there had not been a change of Government, there would have been a change in the provisions?

The Hon. G.L. Bruce: Probably not.

The Hon. M.B. CAMERON: The honourable member must be pretty grateful that a change of Government occurred which allowed industry in this State some relief from the burden that was placed on it by a former Government under the proposals that, obviously, the Hon. Mr Bruce would not have supported.

The Hon. G.L. Bruce: I supported it: I thought it was fair that the workers got a fair shake for a change.

The Hon. M.B. CAMERON: That is good. The honourable member either agrees or he disagrees. He agrees it was wrong, but he disagrees that it should have been changed.

The Hon. G.L. Bruce: I felt there was an anomaly.

The Hon. M.B. CAMERON: It was more than an anomaly: it was a situation in which the State was losing industry because, as the honourable member has said, the provisions were too generous. Therefore, there was a cost disadvantage, which would still exist had it not been for a change of Government. I am very pleased that the honourable member said that: I am pleased that he thought it was a good idea that there was a change of Government to bring about a change in workers compensation provisions.

The Hon. G.L. Bruce: I don't recall saying that.

The Hon. M.B. CAMERON: The honourable member can guarantee one thing—if there had not been a change of Government, there would have been no change.

The Hon. G.L. Bruce: No.

The Hon. M.B. CAMERON: That is right. It is just as well we came to office when we did to bring about this change.

The Hon. G.L. Bruce: It is nice to err on the side of generosity rather than meanness.

The Hon. M.B. CAMERON: It is one thing to be generous but another thing to destroy people's jobs, and that is what workers compensation was doing to jobs. The honourable member was supporting that situation even though he thought it was wrong: he would still support it even though it is wrong. I believe that that is an extraordinary admission. The Hon. Mr Bruce should pray for another change of Government so that we can correct the wrong next time.

The Hon. G.L. BRUCE: In reply to the Hon. Mr Cameron, I did not say that the situation was wrong, but I believe that there was an anomaly. If the Government was to err, it should err on the side of the workers, and I would support that. Now, when those anomalies that I believe exist can be rectified, members opposite are opposing a proposal to look after the worker on compensation. Whatever members opposite do or however they twist the situation, they will disadvantage the worker on compensation. It is as simple as that. I do not believe that that is right.

The Hon. R.C. DeGARIS: I believe that the Hon. Mr Bruce should be congratulated for his contribution to this debate, because there was an anomaly in the principal Act to which he has referred. I believe that every member of the Council will recognise that. The Act was very generous in regard to workers compensation, overtime, and other matters. I would like to make a point here and now—this clause, as amended, will also contain an anomaly, which should be examined, although I do not believe that we can do that at this stage.

The Hon. J.C. Burdett: The review will do it.

The Hon. R.C. DeGARIS: That is right. I agree with what the Hon. Mr Bruce has said. There are one or two cases, to which he has referred, that must be considered for review and change. It does not matter which Bills are passed by this Council, the fact remains that there will always be some anomaly. I appreciate what the honourable member said in

regard to this matter. There was an anomaly in the previous Act which has been corrected.

Now, with this amendment, there still will be another anomaly. The review of that should be looked at. If we are to allow a full application for overtime and site allowance, the pressure will come for other matters to be included, and we will have a situation where workers compensation in South Australia will have a serious effect on our competitive position.

The Hon. DIANA LAIDLAW: I do not accept the Government's policy that the worker should not be any better or worse off than if he or she had not been incapacitated. As I outlined in my second reading speech, I believe that although a worker should receive reasonable compensation—and in years past I agree that that rate of compensation was far too low—there should still be some financial inducement to return to work.

I also point out to the Hon. Mr Bruce, in particular, and perhaps also to the Minister, that this business that workers should be entitled to no more and no less than they would receive if they continued at work (which is what is at stake in the Bill) disregards the fact that no allowance has been made for the cost of an employee's travelling to and from work, for the wear and tear on clothing, the expense of buying lunches, etc., and, of course, the injured worker would not incur such expenses while at home.

The Hon. G.L. Bruce: He would incur more if at home than at work.

The Hon. DIANA LAIDLAW: What about travelling expenses?

The Hon. C.J. SUMNER: The Government has consulted the Industrial Relations Advisory Council; on two occasions comment was sought from the trade union bodies; and cost implications have been sought from the insurance industry. I will not suggest to the Council that employer organisations agree with all the amendments, but regarding cost implications the advice we have from the S.G.I.C. is that the maximum incurred would be 5 per cent on all the premiums, which in terms of overall labour costs—

A member interjecting:

The Hon. C.J. SUMNER: A maximum of 5 per cent, I said, and it is likely to be less. That is the indication that the Government has of the likely cost. It is not 5 per cent on wages.

Members interjecting:

The Hon. C.J. SUMNER: I am saying that that is a maximum of 5 per cent on premiums—not on wages—and it is likely to be less.

The Hon. L.H. Davis: It is 1 per cent on wages for someone paying a 17 per cent premium.

The Hon. C.J. SUMNER: It is not a substantial increase in overall labour costs.

The Hon. L.H. Davis: It makes us non-competitive with other States. It makes us a high-cost State.

The Hon. C.J. SUMNER: It does not make us non-competitive with other States.

The Hon. L.H. Davis: Will we be the highest cost State?

The Hon. C.J. SUMNER: In relation to labour costs?

The Hon. L.H. Davis: In workers compensation premiums.

The Hon. C.J. SUMNER: We have not been, traditionally, as the honourable member knows. Right through the 1970s, on the figures that I saw, we did not have the highest per capita cost. That was indicated to the Council, I recall, back in 1979. If we now have the highest, it is the result of initiatives taken by the Liberal Government.

The Hon. J.C. Burdett: That's rubbish.

The Hon. C.J. SUMNER: We certainly did not have the highest workers compensation cost in 1979. I draw honourable members' attention to a speech that I made in the Council at that time. Now, honourable members are trying to suggest that we apparently do have the highest cost.

The Hon. L.H. Davis interjecting:

The Hon. C.J. SUMNER: The honourable member is suggesting it. All I am indicating to him is the estimate that has been given to us on the possible increase in premiums—as I said, a maximum of 5 per cent.

The Hon. L.H. DAVIS: I do not accept that as a satisfactory answer. The Attorney has said that the Government sought advice from the S.G.I.C. and that the indication received was that premiums would increase by a maximum of 5 per cent. I am surprised that he did not seek information from the Insurance Council or other private insurance groups because the S.G.I.C. is not the only insurance company in the workers compensation field in South Australia. There is no question that this is an important measure. We have now had an admission from the Government that the costs will increase. When it says a maximum of 5 per cent, we can take it for granted that it will be at least 5 per cent. We can quite clearly establish the point that I was making earlier: that for those groups in what would be classified as the high-risk categories, where workers compensation premiums can be of the order of 30 per cent—and quite often those industries can have quite a large labour force—the 5 per cent in workers compensation premiums would undoubtedly result in a 1½ per cent effective increase in the wage costs to the employer. Those in the mid-point of workers compensation premiums—in the building trades—on 16 or 17 per cent workers compensation premiums will, on the Hon. Mr Sumner's calculation, have a 1 per cent increase in costs. It is effectively an increase in wage cost, at a time when the national economic summit has sought a wage pause.

I again ask the Hon. Mr Sumner why the Government did not seek a second opinion on the costs of these proposed amendments. I do not believe that it is good enough that the Government just goes to the State Government Insurance Commission when so many other people are affected. Was the Government perhaps scared that the private insurance groups would argue that the costs to employers would be greater? Certainly, that has been the message that I have been getting over the past two or three days.

The Hon. C.J. SUMNER: As I understand it, C.E. Heath, also one of the largest underwriters of workers compensation insurance in this State, was also consulted, and it is the consensus of opinion obtained by the Government from those two bodies. Honourable members have tried to suggest that our costs are the highest in Australia. If they are at the moment, as I pointed out before, that would not be the result of a labour initiative, certainly, because in 1979 I recall distinctly giving to the Council facts and figures about workers compensation premiums which indicated that in Victoria, particularly, they were in excess of those in South Australia.

If one looks at insurance as a percentage of labour costs between the States one finds that the percentage of pay-roll of workers compensation premiums for builders labourers in South Australia is 14.8; in Victoria, 38.1; in New South Wales, 22.72; in Queensland, 4.7; Western Australia, 21.98; Tasmania, 5.23; and Northern Territory, 19.6. With carpenters the figure in South Australia is 10.8; in New South Wales it is 7.49; Victoria, 9.91; Queensland, 4.7; Western Australia, 6.22; Tasmania, 5.23; and in the Northern Territory it is 19.6.

The Hon. L.H. Davis: You're adding to that bill.

The Hon. C.J. SUMNER: I am suggesting that we do not have the highest premium rates overall.

The Hon. M.B. Cameron: Do you think that this present measure will reduce them?

The Hon. C.J. SUMNER: I do not think—

The Hon. M.B. Cameron: Just answer my question.

The Hon. C.J. SUMNER: I have already said that it will not reduce the premiums and that it may increase them by up to 5 per cent. For example, the cost of premiums for builders labourers is 14.8 per cent of the pay-roll. Therefore, the increase is not 5 per cent in terms of the overall cost. In general terms, the South Australian premiums are not at the top in relation to the rest of Australia. There are some areas where we are near the top and there are other areas where we are lower down the list. As far as the insurance industry is concerned, we are assessed at about the middle of the range, when compared with other States.

The Hon. I. GILFILLAN: I wish to record my appreciation of the comments made by the Hon. Mr Bruce. It is refreshing that, because of the way this place works, people are not afraid to voice their convictions. However, I think it is a rather poor show that when members do so they are subject to ridicule. I am not impressed with political point-scoring. I think the Hon. Mr Bruce identified what he saw as a definite penalty for workers who, because of seasonal work time loadings, might suffer as a result of this provision. I believe that this clause allows a court to take into account previous work performance that was dependent on seasonal distortions of the hours worked. I certainly hope that that is the situation. The Hon. Mr Bruce identified an area where a worker could be seriously disadvantaged.

The Hon. M.B. CAMERON: I take some exception to the Hon. Mr Gilfillan's implication that I was politically point-scoring. I point out that the situation would have remained unchanged if we had not come to office, and the Hon. Mr Bruce admitted that. Hard cases make bad laws. A particular case was identified, but it is difficult to cover every case. Everyone else in South Australia would have been paying extra if there had not been a change of Government. The Hon. Mr Gilfillan might call that political point-scoring, but it would have meant that industry was disadvantaged. I take exception to what the Hon. Mr Gilfillan said in that regard. The Attorney-General attempted to point out that South Australia already pays the highest premiums in many areas. Therefore, why is he attempting to make it even higher? It is beyond belief! I believe there should be some restraint. The Attorney has virtually admitted that he will be increasing the present problem.

The Hon. G.L. BRUCE: The Hon. Mr Cameron has gone to the extreme. It is possible that the Government has erred on the side of generosity, but I believe that members opposite have erred on the side of lousiness. I thank the Hon. Mr Gilfillan for his contribution. Does the Attorney-General believe that the courts would have power to take into consideration seasonal aberrations in a worker's wages and the fact that shift penalties are taken into consideration when assessing wages?

The Hon. K.L. MILNE: I think the Committee should understand that we are dealing with various facets of a complicated subject. Obviously, this area needs a great deal of inquiry before the anomalies can be rectified. The Hon. Mr Bruce said that a number of people have grown accustomed to receiving a permanent extra sum each week. It is easy to say that workers should not assume that they will receive that extra money all the time. However, being human that is the assumption that they make, and they make commitments based on that extra money.

I point out that the average worker does not usually put any money away in a savings account; in fact, it is very difficult for him to save. It is a hardship for a worker to lose even a few dollars each week. It is difficult for people who have never experienced that situation to understand it. The Committee should understand that the different States of Australia have different mixes of industries. For example, South Australia does not have the same mix or the same risks as New South Wales. Therefore, the figures mentioned by the Attorney are not terribly accurate. We are trying to scrimp and save a relatively small amount compared with the total cost involved. We should also be trying to save in other areas such as holiday pay, sick pay and long service payments.

A small margin of additional cost makes us less competitive, and that is dangerous. We were doing best when we had a 9 per cent differential in wages, along with price control. I do not mind whether there is a 9 per cent differential, because we keep prices and wages down and the standard of living is maintained. Unfortunately, that has been forgotten. We are no longer competitive and the situation is getting worse. This matter is urgent, but the message is just not getting through.

The Hon. L.H. DAVIS: The Attorney did not reply to the question that I asked in regard to the reintroduction of overtime and site allowances. It is my belief, which is shared by the Hon. Mr Burdett, that the reintroduction of overtime and site allowances into the calculation of weekly average earnings for someone on workers compensation could result in that person receiving a higher weekly payment than a fellow worker still on the job. Will the Attorney comment?

The Hon. C.J. SUMNER: That should not be the case. If the honourable member peruses clause 8, he will see that the court can review weekly payments, and the factors that the court takes into account in reviewing those payments and which it may take into account in ordering that weekly payments be terminated, increased or diminished, include the earnings that the worker would have received if he had continued to be employed by the employer under whose employment he was engaged immediately before the incapacity.

If clause 8 is passed, there will be power to review weekly payments in that way to overcome the anomalous situation that occurred prior to the amendments introduced by the Liberal Government, whereby some workers were receiving more than their counterparts at work. That occurred because if someone was employed during a period of high overtime earnings and was injured, and if there was a downturn in overtime earnings, it was possible for a worker to get more compensation that if he was still at work. That was recognised years ago to be anomalous.

In fact, my recollection is that in 1979 or thereabouts the Labor Government introduced legislation, part of which was designed to overcome that anomaly, and that would now be overcome by the insertion of new section 71, as provided for in clause 8.

In response to the question asked by the Hon. Mr Bruce, the only allowances being added to the calculations of average weekly earnings are the site allowance and overtime. Penalty rates are not included. In considering average weekly earnings, we will take into account overtime and site allowance. Penalty rates will not be included under this amending Bill.

The valid point raised by the Hon. Mr Bruce is that a person may be in seasonal work involving much overtime but, under the present Act, as amended in 1982, the overtime earnt in that seasonal work could not be averaged out to produce average weekly earnings for the purposes of compensation. Surely that situation is not just. The Government's amendment will overcome that anomaly.

The Hon. G.L. BRUCE: The Hon. Mr Cameron seems to think that an employer will pay any increases in workers compensation. In reality, the increase is passed on to the consumer. I believe that overwhelmingly consumers would be willing to pay a fraction more for their purchases in the knowledge that full compensation payments would be paid in the case of injury. Payments are not paid by employers out of the goodness of their heart—increases are passed on

to consumers, just as all costs are passed on. Consumers would accept the burden of that small cost.

The Committee divided on the clause:

Ayes (6)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall, M.S. Feleppa, Anne Levy, and C.J. Sumner (teller).

Noes (9)—The Hons J.C. Burdett, M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, I. Gilfillan, K.T. Griffin, Diana Laidlaw, and K.L. Milne (teller).

Pairs—Ayes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese. Noes—The Hons C.M. Hill, R.I. Lucas, and R.J. Ritson.

Majority of 3 for the Noes.

Clause thus negatived.

Clause 7—'Fixed rates of compensation for certain injuries.'

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

Page 2, after line 9 insert new paragraph as follows:

(aa) by striking out from subsection (5) the passage ',subject to subsection (5a),';.

This is a drafting amendment, although it is predicated, as I understand, on clause 7 passing the Council intact, at least with the clause striking out subsection (5a). I assume that clause 7 will pass.

The Hon. J.C. BURDETT: The amendment that the Attorney has said is a drafting amendment is one that I suggested in my second reading speech that has been taken up by him. I support the amendment and intend to support the further amendment that the Hon. Lance Milne has on file because I think that both of them improve the clause. I intend, after the amendments have been dealt with, to oppose clause 7. However, I support the amendment.

Amendment carried.

The Hon. K.L. MILNE: I move:

Page 2, line 12—Leave out paragraph *(b)*.

This amendment is moved because clause 4 was deleted. Section 69 (12) must now remain and it flows from the decision to retain the two-year period for claims. This clause concerns the transition period during which the amount for a full deafness claim rises to $40 000. It is now $30 000. Under section 69 (12) it rises to $40 000 in July 1983. Therefore, this amendment is needed now, but will become redundant in July 1985, two years after the $40 000 figure is reached. However, it needs to be retained for that period.

The Hon. J.C. BURDETT: I wish to make it clear that clause 7 does two things. Clause 7 *(a)* strikes out subsection (5a) of section 69 of the principal Act. That removes the 10 per cent threshold which is presently in the Act. I oppose that for reasons which I stated in my second reading speech and which I will state more fully when we come to deal with clause 7 as amended. Clause 7 *(b)* does those things which the Hon Lance Milne referred to. His amendment will make the clause a better one than it is at present. Therefore, I support his amendment but make clear that when the question is put that clause 7 as amended be agreed to I will oppose that motion and will speak again at that time.

The Hon. C.J. SUMNER: The amendment is consequential and necessary to make sense of the Bill following the deletion of clause 4. Accordingly, while I did not support the deletion of clause 4, I will not oppose this provision because to oppose it would make nonsense of the Bill.

Amendment carried.

The Hon. J.C. BURDETT: I oppose clause 7. What this clause as amended does is remove the hearing threshold set last year. When the previous Bill was introduced by the Liberal Government the threshold set was 20 per cent. The Hon. Lance Milne moved an amendment at that time that that be reduced to 10 per cent and the Bill passed in that amended form. That, if I may say so, was a quite reasonable threshold. I want to make it quite clear that I do not want anyone who suffers a hearing disability because of work noise or other work reasons to miss out on compensation. I certainly appreciate the importance of hearing disabilities and sympathise very much with people who suffer them. However, the problem associated with this matter was explained at length last year when the Bill which led to the Act in its present form was introduced.

It was explained then that there is a problem towards the bottom end of the scale in determining what is the cause of a hearing loss. Probably the most important thing to say is that almost everyone in middle and later life suffers a hearing loss which is age induced and not necessarily work induced. The problem is (and this was espoused in some detail last year when the Bill I referred to was before this Council) that when one gets to the lower levels of hearing loss such as 10 per cent it is difficult to sort out what is the cause of such hearing loss. Apart from some of our newer members, I suspect that everyone in the Council has some measure of hearing loss. The whole population of any age has a measure of hearing loss.

The Hon. M.B. Cameron: The President?

The Hon. J.C. BURDETT: The President possibly has not suffered such a loss because he always seems to hear everything wrong that I say. In order to make any sense out of assessing hearing losses it is necessary, I believe, that there be a threshold set. Just what that threshold ought to be has been a matter of some controversy. I recall when this matter was before this Council last year that the various organisations representing deaf people and people with hearing problems spoke to me and I was very concerned about what they had to say. I think it would be fair to say that the people who spoke to me were very reasonable and recognised that this problem exists. They certainly thought that the figure of 20 per cent originally proposed was too high. I think it would be fair to say that they thought that 10 per cent was perhaps the highest threshold figure that could be accepted, but they did agree that this threshold problem is something very real. There is a potential for a very large number of claims to be made for hearing loss at the lower end of the scale because all middle-aged sections of the community suffer hearing losses so the total amount involved could be very great indeed. For those reasons I oppose clause 7. If this clause were defeated it would mean that the situation would remain as it is now with the threshold set at 10 per cent.

The Hon. L.H. DAVIS: I am disappointed that the Democrats have seen fit to remove the threshold inserted by an amendment to the Workers Compensation Act by the Liberal Government in April 1982. Indeed, it was the Hon. Mr Milne, who is now proposing that the threshold be totally removed, who introduced the 10 per cent compromise. It is worth putting on the record what the Hon. Mr Milne said little more than one year ago. He stated (and I believe that everyone would agree) that, when one is talking about 25 per cent or 30 per cent hearing loss, one is talking about a person who in most cases will require a hearing aid and, therefore, a 20 per cent threshold is unacceptably high. The Liberal Government at that time saw the merit of the argument and accepted, quite graciously, that 10 per cent compromise. On that occasion (page 4037 of *Hansard*, 6 April 1982), the Hon. Mr Milne stated:

People caring for the deaf (for example, the Australian Association for Better Hearing) would like a provision of 5 per cent but, in the circumstances, would settle for 10 per cent. I am in favour of 10 per cent for the reasons I have mentioned.

I would like the Hon. Mr Milne, if he can hear me, to listen to the following. He further stated:

I understand that most of us have a hearing loss of, on average, about 5 per cent. If the threshold is fixed at 5 per cent, people

who already have a 5 per cent hearing loss who apply for a job and are tested will be turned down. However, if the threshold was 10 per cent they might be employed. We must find a figure between what is unfair to those wishing to claim and what is unfair on those wishing to obtain a job... If the threshold is fixed at 10 per cent, fewer people will be able to claim but, according to my information, more people will be able to obtain employment... I still believe that 10 per cent is the correct figure. It should be investigated by experts as soon as possible. In any event, I hope the Act is monitored continuously.

On that occasion the Hon. Mr Milne put forward exactly the view which the Hon. John Burdett and the Liberal Party came to accept on that occasion and to which we adhere tonight.

The Hon. K.L. Milne: You are inflexible.

The Hon. L.H. DAVIS: The only difference is that the Hon. Mr Milne has again demonstrated that there is a new meaning of the word 'flexibility'. He can be flexible on the same matter. If the Liberals choose to re-introduce this proposal next year, 1984 being an even year, we will probably be successful on that occasion. I am disappointed, and in fact I am surprised, that the Hon. Mr Milne has sought to shrink from the amendment he proposed last year and to abandon the threshold for which he argued so succinctly, without producing one shred of evidence for doing so. As the Hon. Mr Burdett pointed out, there will be increased costs, and, paradoxically, far from helping the worker, the provision will make it more difficult for some people to obtain a job.

The Hon. Mr Milne is very conscious, as he said, of the ability and the facility of employers to test the hearing of employees or would-be employees, and I can assure the Hon. Mr Milne that, in difficult economic times, with no threshold at all, and with workers compensation premiums escalating (as the Hon. Mr Milne himself mentioned in the second reading debate), employers will be very cautious indeed about employing anyone who has a measurable hearing deficiency.

I have been given permission by the Hon. Mr Dunn to refer to his plight to advance the cause of the proposal that has been put forward by members on this side. The Hon. Mr Dunn suffers from tractor deafness and has a measured deficiency of 10 per cent. However, until he was measured, the Hon. Mr Dunn was unaware of that deficiency. If he applied for a job that was associated with noise and if the threshold was abandoned, he might face some difficulty. That is a shame. I believe that to abandon the threshold, as the Hon. Mr Milne suggests—to abandon the threshold that he introduced—is an incredible turnabout. It cannot be justified. I do not understand why the honourable member has taken this action.

I have searched for an explanation and for a reason, but I can only assume that the Democrats believe, because they are the so-called centre Party in this Council, they must keep both sides happy. Thus, instead of taking the opportunity to knock out this legislation at the second reading stage and so avert increased costs for the employers, they voted for the second reading to keep the Government happy by picking up part of the proposal to amend the Workers Compensation Act.

The Hon. I. Gilfillan: Why don't the other States have thresholds?

The Hon. L.H. DAVIS: I am not particularly concerned about other States. Either we accept the proposition that the Hon. Mr Milne put a year ago, which at that time he believed was reasonable and which he has now sought to contradict (and he will have the opportunity to speak about this)—

The Hon. K.L. Milne: You will burst a blood vessel. Take it easy.

The Hon. L.H. DAVIS: I am not taking it easy, because I am annoyed that the Hon. Mr Milne has turned about on his own amendment of last year without a shred of evidence to support his action. The only shred of evidence that I can come up with is that the Democrats have a capacity to keep both sides, particularly the Government, happy. That is disappointing, because, as the Hon. Mr Milne said, this matter is too serious to involve political point scoring.

The Hon. R.C. DeGaris: What was the threshold in the original Bill?

The Hon. L.H. DAVIS: It was 20 per cent.

The Hon. R.C. DeGaris: And Mr Milne amended it to 10 per cent?

The Hon. L.H. DAVIS: Yes, it was accepted by the Government in 1982.

The Hon. Diana Laidlaw: You should ask who is keeping whom honest.

The Hon. L.H. DAVIS: Yes. I am interested to know how the Hon. Mr Milne explains his turnabout and what it will do to the employment prospects of this State and to the costs of the employers, who will face increased burdens when their next compensation bill comes in.

The Hon. M.B. CAMERON: I support very strongly what the Hon. Mr Davis has said.

The Hon. G.L. Bruce: Surprise, surprise!

The Hon. M.B. CAMERON: Surprise, surprise! One of the things that concerns us is the fact that anyone, particularly young people, with any degree of deafness from now on will just not get a job, because any employer with any common sense will not take them on. The trouble is (and people with teenage children will know what I am talking about) that it is inevitable that there is some deafness in people coming up through their teens. Once they reach 20 years of age, it is inevitable that some people will suffer from a measure of deafness.

That is a real problem. I do not care what people believe, but that is a fact of life. What will happen is that once people get over the age of 20, apply for a job and are subjected to a test, some form of deafness will show up in the test and they will not get a job because no employer with any common sense will take the risk.

The Hon. R.C. DeGaris: You are dead wrong in that.

The Hon. M.B. CAMERON: Tell me where I am wrong.

The Hon. C.J. Sumner: They have done the test and know what the level is.

The Hon. M.B. CAMERON: That is all very well, but one employs a person for a long period; one does not take on a person for one or two years. Will they take a risk on a person who has already got a measure of deafness? An employer would not say that. One would deprive people of the opportunity of obtaining employment by cutting out the threshold.

The Hon. J.C. Burdett: Are you suggesting that this Bill will increase the number of disabled on the scrap heap?

The Hon. M.B. CAMERON: It is increasing the number of disabled in the eyes of employers. Honourable members can say what they like, but that is a fact of life. Young people themselves do this in the way they go to discos and are not sensible in the way they listen to music. It will not be industrial deafness that will cause this problem. How can one determine whether those people have given up that habit of going to discos and turning up music too loud? What employer will take the risk on that person? They will not.

At the other end, we will open the flood gates on the numbers of people claiming. People can shake their heads and do what they like, but that is a fact of life. I have spoken to lawyers in this field and they have told me—even today—that this would open the flood gates of people applying for compensation for this problem. A lot of that

is very difficult to prove because, as the Hon. Mr Davis said, a lot of it comes about through natural causes, but any person showing any tendency at all in the beginning of their work lives, or part way through, will not get a job because people will not take the risk.

What the Hon. Mr Milne said on a previous occasion is exactly my belief. For the life of me, I fail to understand why he has changed his mind. I appeal to him to get back to his original position, which was the correct position, that would stop this move to throw people on the scrap heap before they start because they are showing the signs. How many tests one does under section 74 does not impress me. Members opposite say that it will determine whether or not he has a level of deafness before he is employed, but the opposite will occur. It will be a very determining factor before a person is employed. Nothing will alter that view.

The Hon. G.L. BRUCE: I was going to let this part of the debate slide by, but I cannot after what the Hon. Mr Cameron said. What is happening in any responsible industry now where there is a loud level of noise is that the employer assesses these people from the word 'go'. When they put someone on they usually have a hearing test done. Throughout the life of that employee in that industry he is monitored; there is no reason why he cannot be monitored when he starts the job, throughout the life of the job, and when he leaves the job. Any employer now who is monitoring and knows that the person has a disability when he goes there is covered and has protected himself already. That opens the opportunity for someone who is deaf to get a job. It is not cutting the ground from under them; it does not close the doors, but opens them because it is all laid on the table for an employer to see. He knows the degree of deafness that the person has when he goes there; it is monitored. If he has reached the 10 to 15 per cent threshold, it is there. There is no way that one could have a claim for that 10 to 15 per cent deafness because he is already 10 to 15 per cent deaf.

On what the Hon. Mr Cameron is saying, he would cut out any chance at all of a deaf person getting a job. It can be monitored. Any responsible employer worth his salt monitors it now. It takes the responsibility away from the employer to make his surroundings safer and to provide ear muffs if he knows that he can have a 10 per cent margin to play with before he gets lumbered. The Hon. Mr Cameron can laugh all he likes, but I believe that this is a fact of life. The Hon. Mr Milne is sensible in accepting it. The Opposition likes it when he is on its side, but not when he is on our side. I support this clause.

The Hon. I. GILFILLAN: The only area of risk is that I am not sure whether honourable members are compensable for work induced colic, because there appear to be some severe cases breaking out in reaction to what appears to us to be a reasonable amendment. If the threshold has such a dramatic effect on premiums in workers compensation, how did none of us experience the benefit when the threshold came in? It is not reasonable to argue for a substantial increase in the measure if one cannot identify whether the reverse is true. If it is to be so effective, obviously there should be some indication of it.

Concerning the point about the disabled, if there have been complaints they have been very quiet. In the other mainland States of Australia there has been no identification of discrimination against those suffering from hearing loss. The emphasis should be much more firmly placed on dissuading work places from continuing to exceed levels which create the disabled and hearing loss. The Hon. Mr Milne has accepted evidence which is generally that the threshold was not producing any advantage to any of those involved, and he has taken the right position.

The Hon. M.B. CAMERON: If that is the best reason that the Democrats can put up for the changes that have occurred, we are very sad on this side because we would have expected something better than that. If we seem a little upset, it is because the flexibility now being shown does not affect this Council, the Democrats or us: it affects the people who will not be employed because of the flexibility shown by the Hon. Mr Milne. I imagine that the Hon. Mr Gilfillan was not aware of what the Hon. Mr Milne said before. That is shown up by the weakness of the argument that he has put up. He looks surprised and embarrassed by what has occurred. I find that the reason he just put up is very weak. This measure has been in force for only six months. Of course, there would not be any change in premiums in that time. Most people would not have paid any premiums yet, let alone seen any changes in them. In certain fields, of course, deafness is not a problem, but we are sad about the people who will be affected by the flexibility shown.

The Committee divided on the clause as amended:

Ayes (8)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne (teller), and C.J. Sumner.

Noes (7)—The Hons J.C. Burdett, M.B. Cameron (teller), L.H. Davis, R.C. DeGaris, H.P.K. Dunn, K.T. Griffin, and Diana Laidlaw.

Pairs—Ayes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese. Noes—The Hons C.M. Hill, R.I. Lucas, and R.J. Ritson.

Majority of 1 for the Ayes.

Clause as amended thus passed.

Clause 8—'Review of weekly payments.'

The Hon. K.L. MILNE: I move:

Page 2—

Lines 30 and 31—Leave out 'no regard shall be had to' and insert 'the court may, if it thinks fit to do so, disregard'.

Lines 38 and 39—Leave out paragraph *(c)* and insert paragraph as follows:

(c) any factor that would have affected only temporarily the earnings of the worker if he had continued to be so employed.

I feel that this provision, quite improperly, is a direction to the court. In fact, it is a negative direction which deals with individual subjects. It will produce bad laws, and we must treat these areas much more gently. In the Industrial Conciliation and Arbitration Act Amendment Bill the Government is attempting to do exactly the opposite. In that Bill the Government is attempting to remove the word 'shall' and insert in its place the word 'may'.

I believe that the court should have the discretion to take these other areas into account, if it so wishes. New clause 71 (4) *(a)* deals with the General Motors situation, new subsection (4) *(b)* deals with the four-day week problem (which, I regret, will be with us for some time), and new subsection (4) *(c)* deals with strikes. I believe that new subsection (4) *(c)* is irrelevant, because I understand that the courts never take strikes into consideration when assessing whether payments should be increased or reduced. I believe that new subsection (4) *(c)* in the terms that I have suggested deals with the situation adequately in relation to matters which can crop up on a temporary basis and which might have applied when a person was injured. The court can use its discretion as to whether it disregards those matters or takes them into account. I believe that my amendment makes the situation more consistent and provides what the Government was aiming for.

The Hon. C.J. SUMNER: While preferring the provisions of the Bill as introduced, the Government does not oppose this amendment which gives the court a discretion to consider certain matters. The second part of the honourable member's amendment does not affect the original intention of the

Bill. On that basis, the Government will not oppose the amendment.

Amendments carried; clause as amended passed.

Clause 9—'Lump sum in redemption of weekly payments.'

The Hon. J.C. BURDETT: I oppose this clause, which relates to the rehabilitation fund. I oppose it for the reasons outlined earlier. I acknowlege that this question has been dealt with by the Committee and I do not intend to divide on it, but I do oppose it.

Clause passed.

Clause 10—'Reference of cases to the Workers Rehabilation Advisory Unit.'

The Hon. K.L. MILNE: I move:

Page 3, line 3—After '(4), (5) and (6);' insert—
and substitute the following subsection:
(4) Where a worker fails to submit himself for counselling by appropriate officers of the Workers Rehabilitation Advisory Unit in accordance with arrangements made under subsection (3), the executive officer shall notify the employer, in writing, of that failure.

This clause is linked to the whole rehabilitation philosophy. I do not think I ever did like and, on reflection, I do not like now, the fact that a worker has money deducted to pay for rehabilitation after 26 weeks on compensation. The 5 per cent deduction is not an encouragement to get back to work. The philosophy behind this amendment is that we do not think it is pleasant for a worker to go to a rehabilitation centre for counselling, where psychologists and other experts will be counselling the worker if those are the people who have to give him a certificate in regard to misbehaviour if he is not playing the game. It is better for a different arrangement to be made so that the worker and the counselling person can be in a closer relationship. Instead of the executive officer's issuing a certificate if the worker does not play the game, the executive officer should notify the employer, who can then take action under other provisions in the Act.

The Hon. J.C. BURDETT: I will not oppose the amendment, because it improves the clause. However, if the amendment is carried, I will oppose the clause as amended because the provision in the Act as it stands at present, as introduced by the previous Government last year, is perfectly reasonable in certain circumstances in making attendance at counselling rehabilitation centres mandatory.

The Hon. Mr Milne said that he did not think that that was pleasant. The hard cold facts of some aspects of compensation are not pleasant—no-one said they were. There are times when it is necessary to ensure that people do use the facilities that are available. Although I do not oppose the amendment (I support it, because it improves the clause), I will oppose the clause.

The Hon. C.J. SUMNER: I support the amendment. It does not affect the substance of the Government's intention in the clause, which requires the worker to attend the rehabilitation centre but ensures that if the worker does not attend the employer is notified.

The CHAIRMAN: I point out that in the amendment the word 'substitute' should be 'substituting', and we will make that correction.

Amendment carried.

The Hon. J.C. BURDETT: As indicated, I oppose the clause.

The Committee divided on the clause as amended:

Ayes (8)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne, and C.J. Sumner (teller).

Noes (7)—The Hons J.C. Burdett (teller), M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, K.T. Griffin, and Diana Laidlaw.

Pairs—Ayes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese. Noes—The Hons C.M. Hill, R.I. Lucas, and R.J. Ritson.

Majority of 1 for the Ayes.

Clause as amended thus passed.

Clause 11—'Repeal of section 86e and heading.'

The Hon. J.C. BURDETT: I oppose this clause, which relates to the rehabilitation fund, for the reasons that I have outlined before. Because the issue has been decided by the Committee, I will not divide on the clause.

Clause passed.

Remaining clauses (12 and 13) and title passed.

The Hon. C.J. SUMNER (Attorney-General): I move:

That this Bill be now read a third time.

The Hon. J.C. BURDETT: I oppose the third reading of this Bill. I voted against the second reading, and indicated my reasons for doing so. This Bill repeals a number of provisions introduced in the Act last year. Nothing relating to these issues has changed since that time. I said in my second reading speech, and it has been said by a number of people, including the Hon. Lance Milne, that the provisions of this Bill will be disastrous for the economy of the State at this time, and disastrous for employment prospects. I believe that the Bill as it has come out of Committee is better than it was previously. The amendments moved and supported by the Australian Democrats and the Liberal Party have improved it. I want to make clear that those amendments could not have been passed without the support of the Liberal Party.

The principal and most important amendment related to overtime and site allowances. I believe that their exclusion from calculations of average weekly earnings will be important and will stop the cost of workers compensation from escalating. I am concerned about the threshold for hearing loss, and believe that it is important that there should be such a threshold. I also have some concern about the deductions to be paid to the rehabilitation fund. Therefore, I still believe that the Bill is unsatisfactory and, for those reasons, I oppose the third reading.

The Hon. L.H. DAVIS: I also oppose the third reading of this Bill. I request that the Attorney-General have the Government, if this Bill passes, defer proclaiming it so that it will not come into operation until January 1984. Clause 2 of the Bill states that this Act shall come into operation on a day to be fixed by proclamation. I suggest, because of the severe economic circumstances existing in Australia today, and in South Australia in particular, that it would be a gesture of this Government's good faith, confidence in and understanding of the economic situation in South Australia if it deferred proclaiming this Bill until January 1984. I hope that the Attorney-General will convey this message to the Government and, in particular, to the Premier, because it is beyond argument that the passage of this legislation will result in a very real increase in costs to employers in this State at a time when we are practising economic restraint.

The Hon. R.C. DeGARIS: The Bill is better now than when it came into this Council. I am pleased that the matter of computation of compensation based on overtime and site allowances has been rejected by this Council. I am not overly concerned about the question of rehabilitation, as the Hon. Mr Burdett is. I understand his point of view, but I do not take that as being a serious matter with regard to this Bill. I will continue with my opposition to this Bill based only on the question of the threshold of hearing loss, which I believe is the most important issue in this matter. For that reason, I oppose the third reading.

The Council divided on the third reading:

Ayes (8)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne, and C.J. Sumner (teller).

Noes (7)—The Hons J.C. Burdett (teller), M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, K.T. Griffin, and Diana Laidlaw.

Pairs—Ayes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Weise. Noes—The Hons C.M. Hill, R.I. Lucas, and R.J. Ritson.

Majority of 1 for the Ayes.

Third reading thus carried.

Bill passed.

EVIDENCE ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.

(Continued from 31 May. Page 1685.)

The Hon. C.J. SUMNER (Attorney-General): The Evidence Act Amendment Bill deals with changing rules relating to competence and compellability of witnesses. The Hon. Mr Griffin has raised a number of matters in objecting to this Bill. I do not believe he can substantiate those objections in a significant manner. The Bill is based on legislation that has been operating in Victoria since 1978, without any apparent difficulty. Indeed, the Hon. Mr Griffin stated, when he sought leave to complete his remarks, that he would seek information from Victoria. When he came back after a fairly long break of two weeks, the honourable member had no further information to offer the Council.

I would have thought it was clear that the rules relating to eligibility are in a completely unsatisfactory state at present. Victoria has adopted a coherent solution, and my inquiries indicate that there are no major working difficulties with the legislation. I can only assume that the Hon. Mr Griffin has not been able to find any difficulties in the working of the legislation.

The honourable member raised some points in relation to the Bill. First, he said that there were differences between the Victorian Act and this Bill in relation to the matters that the court is to take into account in determining whether or not an exemption from giving evidence should be granted.

There are some differences in the drafting, but there is little difference in substance between the Victorian Act and our Bill. The one major difference is that the Victorian Act lists as one of the relevant circumstances in deciding whether to exempt a witness from giving evidence any breach of confidence that would be involved. This is not a factor that would arise directly under the South Australian Bill. The Victorian provision is meaningless in that there can be no breach of confidence in law if disclosure of the information is required by law. The Australian Law Reform Commission research paper redrafted the Victorian provision to read as follows:

> . . . whether giving the evidence would constitute breaking a promise, whether express or implied, made to the defendant that the person would keep a matter confidential.

Under the South Australian Bill, the issue of a breach of confidence could be relevant under section 21 (3) *(a)*, even though it was not specifically referred to.

The second point raised by the honourable member was that the onus is on the witness to justify an exemption from giving evidence, and I believe that this is justifiable. The starting point, as the principle in the legislation, should be that all witnesses are competent and compellable unless there are good reasons why they should not be, and they should have to show the reason. The reason why they should be exempt is peculiarly within the knowledge of the witness. There are the additional problems that, if the witness is not compellable initially, he cannot be subpoenaed.

The third point raised by the Hon. Mr Griffin was the criteria for exemption in the New South Wales working paper, which are wider than those in the South Australian Bill. The criteria are almost identical, but the New South Wales working paper recommends that the court should have regard to the effect on any child of the marriage and any other relevant factor. This is an illogicality in the New South Wales draft, because it provides that a witness is compellable where, in the opinion of the court, the interests of justice outweigh the importance of respecting the bond of marriage, and in forming its opinion the court shall have regard to the effect on any child of the marriage. This is illogical and contradictory.

The fourth point made by the honourable member is that the Bill appears to place further burdens on the marriage relationship by creating an area in the criminal law of much greater uncertainty than the present law, notwithstanding the present laws and anomalies. The honourable member said that we should be very careful not to make any rash moves. No-one has ever suggested that the fact that spouses are compellable in civil proceedings has caused any problems. The compelling reasons for adopting the approach taken in the Bill, I believe, are set out in the second reading explanation.

The fifth point made by the honourable member was that the Bill does not implement the Mitchell Committee recommendations. That is true, and there are several reasons why, in the view of the Government, the Mitchell Committee's recommendations are not entirely satisfactory. The Mitchell Committee recommended that each spouse continue to be compellable to give evidence against the other in all charges in respect of which he or she is presently compellable and in a charge of assault upon a child under the age of 16 years. A spouse is presently compellable to give evidence for the prosecution where a person is charged with an offence mentioned in the third schedule of the Evidence Act but only as regards the age or relationship of any child of the husband and wife. A spouse is also compellable where a Statute or the common law so provides. The only statutory provision that I have been able to find is section 245 of the Community Welfare Act. Section 92 of that Act makes it an offence to maltreat or neglect children. The prosecution under that section cannot proceed unless authorised by a child protection panel. Thus, the position is that a spouse is compellable where charged with mistreating a child but not where a spouse is charged with murder or rape of the child. The Mitchell Committee recommendation that the spouse be compellable in the assault on a child under the age of 16 would not improve matters much.

When the Mitchell Committee made its recommendations, it was thought that at common law the spouse was compellable when the other spouse was charged with personal violence against the witness. The House of Lords in Hoskyns case (1978) 2 W.L.R. 695, ruled that this is not so.

The present law and the Mitchell Committee recommendations are unsatisfactory in that anomalous results are produced. It is probably impossible to list all the crimes in which a spouse should be compellable. But even if a crime is considered for listing it may not be appropriate for a spouse to be compelled to give evidence. As the Victorian Law Reform Commission pointed out, the listing approach does not take into account whether the evidence of the accused's spouse will be of real importance; whether there is a relationship of real value which may be disrupted; or whether it would be unduly harsh to call the witness.

The New South Wales proposals about which the Hon. Mr Griffin at one point seemed to be enthusiastic are open to the same criticism. The New South Wales Law Reform

Commission proposed that a spouse should be compellable where the accused is charged with an offence involving:

(a) an assault on;
(b) a battery of;
(c) other harm to;
(d) a threat of violence, personal injury or other harm to; or
(e) sexual misconduct in respect of—a person at any time and that person—
(f) was at the time wife of the accused person; or
(g) was at that time under the age of 18 years and at that time or any earlier time belonged with the accused person to the same household.

The New South Wales Law Reform Commission recommended that spouses should also be compellable where the interests of justice outweighed the importance of respecting the bond of marriage. The proposal by introducing general categories of charges still introduces an element of arbitrariness. The categories described could range enormously in seriousness, and they are limited to offences within the family, and, in relation to persons other than the spouse, to children under the age of 18 years who belong with the accused to the same 'household'. As the A.L.R.C. said in its research paper, the proposal, by creating a set of categories in respect of which the spouse of an accused person is compellable, is creating a risk of gross hardship to the spouse which cannot be removed.

I believe that the proposal introduced by the Government is consistent with the most recent Law Reform Commission reports and the discussion paper of the Australian Law Reform Commission. It is consistent in principle in accepting that all spouses prima facie are competent and compellable to give evidence against each other, but it does recognise that there may be circumstances, in which that is not appropriate, at least to determine whether those circumstances are such as not to make it appropriate.

That has existed, as I said, in Victoria since 1978, apparently without any difficulty arising. I ask the Council to support the second reading and to maintain the Bill substantially in its present form.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Provisions governing competence and compellability of close relatives of accused persons.'

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

Pages 1 to 3—Leave out proposed new section 21 and insert new section as follows:

'21. (1) Subject to this section, a spouse of a person charged with an offence shall be competent and compellable to give evidence for the accused.

(2) Where spouses are jointly charged with an offence neither shall be compellable to give evidence for the other.

(3) A spouse of a person charged with an offence shall be competent to give evidence against the accused but shall not, subject to subsection (4), be compellable to give such evidence.

(4) A spouse of a person charged with an offence shall be compellable to give evidence against the accused where the accused is charged with an offence involving, or resulting from, an assault alleged to have been made by the accused upon a child under the age of 16 years.

(5) Where the spouse of a person charged with an offence is not compellable to give evidence against the accused, neither is he compellable to give evidence against a person who is jointly charged with the accused.

(6) Where a person is charged with an offence and a spouse of the accused is called as a witness against the accused in any proceedings related to the charge (including proceedings for the grant, variation or revocation of bail, or an appeal at which fresh evidence is to be taken), and the spouse is not compellable to give evidence, it shall be the duty of the court to inform the spouse of his right to decline to give evidence (a duty that shall be performed, where the court is constituted of judge and jury, by the judge in the absence of the jury).

(7) The fact that a spouse of a person charged with an offence has failed to give evidence for the accused may be made the subject of comment by counsel or the presiding judge.

The arguments brought against both the Attorney-General's proposition and mine have been canvassed during the second reading speeches. The Attorney-General has made a comprehensive response to the comments which I made. Basically, the difference comes to this: that the Bill creates what I would regard as an undesirable level of uncertainty on whether or not a spouse is compellable in any particular proceedings and leaves the decision basically to the trial judge. That is likely to place unnecessary and undue burdens on the marriage relationship. In addition, the onus is placed on the spouse to establish that there are grounds on which the judge ought to grant exemption.

The other problem with the Bill is that it is much too wide. It extends certain protections to putative spouses, and I do not believe that putative spouses ought to be placed in the same position so far as confidence and compatibility are concerned as spouses. The amendments which I propose basically pick up the proposals of the Mitchell Committee and make all spouses competent, but limit to specific instances those occasions where spouses may be compellable. My amendment would not extend the protection to putative spouses.

It may be that there are some technical difficulties with the amendment which I am proposing, but there are matters of even greater concern with the amendment of the Bill. One could conclude that, although the Bill has been before us now for three weeks and that perhaps we ought to have sorted out these difficulties, at the end of a session there is undoubtedly pressure to get the matter resolved.

Possibly, there will be an opportunity for more appropriate discussion on the amendments, if there are some technical problems with my amendment, if my amendment is passed and ultimately the Bill with my amendment goes to the conference, where there will be an opportunity to resolve any difficulties which the Attorney-General may suggest exist.

In essence, my amendment is for certainty. The Attorney-General's amendment involves a greater amount of uncertainty, and I believe that the practice is likely to place a much greater pressure on the marital relationship than would my proposal.

The Hon. C.J. SUMNER: I oppose the amendment. The matter has been canvassed adequately in the second reading debate. My response is that under the amendment moved by the Hon. Mr Griffin the only case in which the spouse is compelled to give evidence is where the accused is charged with an offence involving, or resulting from, an assault alleged to have been made by the accused on a child who is under the age of 16. This limits the ocassions on which a spouse can be compelled to give evidence.

The spouse is presently compelled to give evidence with regard to the age or relationship of any child of the husband or wife if the husband or wife is charged with any offence under any enactment referred to in the third schedule. These are mainly sexual offences, but also offences related to failure to supply the necessities of life for a wife or child, bigamy, or any criminal proceedings by the wife for protection of her property. This list is outmoded, but the Mitchell Committee recommended that the spouse should be competent and compellable to give evidence regarding all charges in respect of which he or she is at present compellable.

When the Mitchell Committee reported, it was thought that the spouse was compellable to give evidence at common law when the charge related to injury or personal violence against the other spouse. I have mentioned that since Hoskyn's case this is not so. If the Mitchell Report is to be implemented, the common law position would have to be

specifically restored. The common law was not logical, anyway, in that it did not make the spouse compellable when violence was only threatened.

The new provision suggested by the honourable member, making the spouse compellable when the accussed is charged with an offence involving or resulting from an assault alleged to have been made by an accused on a child under the age of 16 years, also is illogical. Whilst most murders, for example, involve assaults, many do not. A child can be starved to death, or left on a door step, or the death can be brought about by remote control (for example, by leaving a child in a gas filled room).

Perhaps the new provisions suggested by the Hon. Mr Griffin might cover threatening to harm the child, once again only if the harm includes an assault. Once again, threatening to harm the child may or may not be covered. Confining the provision to assaults on children under 16 is not satisfactory. What about brutal assaults on old age pensioners or mentally defective 40 year olds? I mention this only to point out the arbitrary nature of the categories that the Hon. Mr Griffin has picked in his amendment.

The simplicity of the Government's proposition is that in all those cases there is competence and compellability of a spouse, subject to the qualification that the court might determine, because of the nature of the relationship, that the basic principle should be accepted in any particular case. The Government maintains that its approach is a sensible one and believes that the amendment moved by the Hon Mr Griffin will retain in the law a degree of arbitrariness about the offences that will attract the compellability of spouses. The Government believes that its proposition is simpler, more logical and more workable.

The Hon. K.T. GRIFFIN: In view of the case referred to by the Attorney-General, I recognise that in respect of the Mitchell Committee there may be some technical difficulties. In the general context of technical difficulties, I have already mentioned that there are three alternatives: first, that the Committee does not support my amendment (but I suggest that that is not appropriate); secondly, that the Committee supports my amendment in the knowledge that if there are technical difficulties there will be an opportunity during a conference to provide a remedy; and, thirdly, the Committee can report progress and seek to improve the drafting of the Bill to ensure that the Mitchell Committee's proposals are adequately reflected in the amendment.

I believe that the Committee should proceed and presume, on reasonable grounds, that the Bill will go to a conference in an endeavour to tidy up certain aspects of this clause. There is a less formal atmosphere at a conference and a better opportunity to ensure that any amendment follows the principles recommended by the Mitchell Committee.

The PRESIDENT: I put the question that 'all the words down to line 41 on page 2' stand part of the Bill.

The Committee divided on the question:

Ayes (8)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne, and C.J. Sumner (teller).

Noes (7)—The Hons J.C. Burdett, M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, K.T. Griffin (teller), and Diana Laidlaw.

Pairs—Ayes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese. Noes—The Hons C.M. Hill, R.I. Lucas, and R.J. Ritson.

Majority of 1 for the Ayes.

Question thus resolved in the affirmative.

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

Page 2, after line 41—Insert new subclause as follows:

(5a) This section does not operate to make a person who has himself been charged with an offence compellable to give evidence in proceedings related to that charge.

This amendment, in providing that the proposed new section does not affect the right of a close relative to decline to give evidence in proceedings in which he is jointly charged, clarifies a matter to which a Bill presently does not allude. The Mitchell Committee in its Third Report commented that, where spouses are jointly charged, one should be competent but not compellable to give evidence for the other. Certainly, the right of an accused to remain silent might otherwise be prejudiced if he was a compellable witness for his close relative.

Paragraph I of section 18 of the principal Act presently provides that an accused shall not be called as a witness except upon his own application, and, to ensure that it cannot be said that this principle has been abrogated by this measure, the proposed amendment to the Bill is appropriate. My amendment makes it clear that the existing rules relating to close relatives who are jointly charged are not affected by this Bill.

The Hon. K.T. GRIFFIN: In view of the regrettable fact that my amendment was unsuccessful, due to a lack of support from the Australian Democrats, I appreciate the significance of this amendment. This is essentially a drafting measure, and the Opposition supports it.

Amendment carried; clause as amended passed.

Clause 5 and title passed.

Bill reported with amendments; Committee's report adopted.

The Hon. C.J. SUMNER (Attorney-General): I move:

That this Bill be now read a third time.

The Hon. K.T. GRIFFIN: I cannot allow this opportunity to pass without making one or two observations on the Bill. I have already made the Opposition's position clear: it does regard with some concern the extent to which the law has been changed from the position where spouses, except in limited circumstances, were not compellable, to the position where spouses are compellable in all circumstances, except in those instances where the judge who might be hearing the matter determines that the marriage relationship, or now the relationship between putative spouses or the relationship between an accused and a parent and an accused and a child, ought to take precedence over the administration of justice and that the relationship ought to be preserved. It is a significant change in the law.

Whilst it has been in operation in Victoria for several years, as far as I am aware it is not in operation in any other State in Australia, although the Australian Law Reform Commission made some comment about it and the New South Wales Law Reform Commission has issued a discussion paper which makes the same sort of proposal but, instead of placing the onus on a spouse, it places the onus on the prosecution. The Government has placed this Bill before Parliament—

The Hon. C.J. Sumner: It has been done in Victoria.

The Hon. K.T. GRIFFIN: The Attorney was not listening. This Bill, which makes such a dramatic change in the law, has been supported by the Australian Democrats, and be it on their shoulders if in its operation it places undue pressures on the matrimonial relationship. That is important, if the Australian Democrats understood it (and I am not sure that they did) but I want to put on record that they must carry the responsibility for the significant change being made in the law.

Bill read a third time and passed.

RACING ACT AMENDMENT BILL (NO. 2) (1983)

Adjourned debate on second reading.

(Continued from 31 May. Page 1699.)

The Hon. R.I. LUCAS: As the Hon. Mr Cameron indicated earlier in this debate, this measure is a conscience vote for Liberal members of Parliament. As sometimes happens in this Chamber, it appears that there is a collective Liberal conscience on one side, a collective Labor conscience on the other side, and a collective Democrat conscience alternating between both sides. I intend to support the Bill at its second reading so that I can move an amendment in Committee.

As I have indicated previously in two other debates in this Chamber in my short period here (that is, in the debate on betting on the Bay Sheffield and the Casino Bill—the two Bills associated with gambling) I have no moral objection to gambling. I do not believe that gambling in itself is intrinsically evil and that any problems that might exist result from abuse or excessive use.

As with the other gambling measures, I start from a position of no moral objection. If I were to vote against the Bill I would need to convince myself that grave social or economic changes were likely to ensue from this provision. It is important to state exactly what this Bill provides, as I believe that some people have not fully understood it.

The Bill provides for self-service ticket vending machines in areas other than the present T.A.B. agencies and sub-agencies. They are a convenience measure to enable people to place bets with the T.A.B. The machines will sell tickets only, and I emphasise that point. The machines will not pay out, as all winning tickets will have to be cashed at T.A.B. agencies. There is no way that these machines can be seen, as some people have suggested, as *de facto* poker machines. I refer to the thousands of beer ticket machines and the like which exist in many places, including delicatessens and other shops. They would be closer to poker machines than would these machines.

Another important point that has been misunderstood in the debate is that we are voting only for a trial introduction of these betting machines. Originally it was to be a period of six months but, as a result of the sunset provision introduced by the amendment of the Hon. Mr Wilson in another place, the trial will now be for 12 months. After that period similar legislation will have to be re-introduced if the scheme is to be extended. That point has not been made in the debate. In fact, we are voting only for a 12-month trial period and, if there are grave social or economic consequences, as some people have suggested, the machines can be prevented from permanent operation by a vote in this Parliament.

Certainly, I would be willing to review my view if the trial indicates that such grave social and economic consequences have eventuated. As I indicated earlier, this measure is basically a further extension of the services provided by the T.A.B. to the betting public. In particular, I would refer to three such services. First, the introduction of 'after race' payouts, which were introduced so that usually within 10 to 15 minutes after a race the T.A.B. will pay out on any bet. This measure was introduced by my Party when it was in Government and supported by many members in this Chamber and in another place. Another major extension has been that bets are now accepted up to five minutes before a race. A combination of those two extensions means that punters, within 15 or 20 minutes, can be paid out for a bet. They can bet five minutes before a race and, if they stay in the T.A.B. agency, they can be paid out within 15 minutes.

Having seen some of the queues in front of bookmakers awaiting payment, I believe that that time period of some 15 to 20 minutes would compare favourably with on-course betting waiting times. One other extension has been the provision of telephone betting accounts. In effect, telephone betting accounts mean that punters can bet from the convenience of their own homes. This means that every home with a telephone already has access to T.A.B. betting facilities. I say that these extensions of T.A.B. services have been accepted by my Party, the A.L.P. and, I suggest, by the community. In effect, people can bet from home, on the course, in agencies and sub-agencies and can bet five minutes before a race and be paid within 15 minutes of the race completion. I see no major objection to the introduction of these machines on a 12-month trial basis. This seems to be a continuation of a process of change already decided on by Governments of both major political persuasions and, as I said, supported by members of both political Parties and the community.

I must admit to having some concern about how I was going to vote on this Bill because of the accessibility of T.A.B. facilities to children. I raised some questions on this matter before and will raise some questions on it with the Minister during the Committee stages. As there is evidence of 'under age' drinking in hotels there is also evidence of 'under age' betting at existing T.A.B. agencies and sub-agencies and on-course betting, so the problem of possible 'under age' betting is not limited to these particular machines and this particular experiment.

The Hon. L.H. Davis: Human beings take the bets at T.A.B. agencies but not at these machines.

The Hon. R.I. LUCAS: You do not see people leaving cash registers unprotected for any period of time. These machines, with possibly hundreds of dollars in them, will not be left unprotected. The problem with 'under age' betting or drinking in distinguishing between mature looking 14-17 year-olds and immature looking 18-year-olds already exists in many areas. It will exist with these machines if we are honest about it. I am saying that the problem already exists and that if one is to make a judgment about this extension of T.A.B. facilities one should make the frank and honest assessment that that problem exists with existing T.A.B. facilities and a number of other things. I can recall in my time at school a 15-year-old school chum who spent every weekend on race tracks betting illegally with bookmakers and, I might say, quite lucratively. He also drank quite frequently in hotels.

The Hon. M.B. Cameron: Who did—you?

The Hon. R.I. LUCAS: No, a tall, solid, 15-year-old school chum of mine. That is the problem with 'under age' betting and drinking—how to distinguish the age of the people concerned. I repeat that the problem of 'under age' betting will be no worse under this trial than currently exists on course and with other forms of gambling. However, I believe that the present tight controls that exist on 'under age' betting and with other forms of gambling will need to apply to this trial and I will raise questions about such matters in the Committee stages. The major problem I have with this Bill relates to clause (4). This clause allows the board to install these machines in any premise as long as the Minister of Recreation and Sport has given his approval. This means that the Minister and not the Parliament will determine whether these machines are installed at Football Park, Westfield Shopping Centre or a certain hotel or licensed club.

I consider that this is just another example in a long list of examples of legislation where the Executive, through the responsible Minister, takes responsibility for decision making rather than the Parliament. I object, as I have previously, most strongly to this fact—that the Minister will make a final decision in these matters. It is quite clear that the hotel or licensed club chosen by the Minister will possibly experience an increase in custom and, therefore, a possible increase in financial benefit from having this machine on the premises. I think that it is improper that a Minister can

be placed in a such a situation (and there is no inference on the Minister concerned at the moment, as it could be any Minister) where, in effect, his decision can provide a financial benefit to a club, hotel or any institution. The Minister might be in a position where a club is known to him or operated by someone he knows and I think that that would place him in an invidious position and ought not to be countenanced and allowed by legislation of this sort.

The Hon. R.C. DeGaris: He might be a rugby league player.

The Hon. R.I. LUCAS: The Hon. Mr DeGaris says that he might be a rugby league player. That is part of the problem and ought not be with the Minister but with the Parliament. I will move the amendment on file in my name during the Committee stage to reassert the power of the Parliament over the Minister in this matter. One final matter to which I will refer is the effect of these machines on the level of S.P. betting. I do not accept the argument that these machines will have a major effect on the level of S.P. betting in the community. However, I believe it is possible that that level of S.P. betting might be reduced by a small amount. I do not believe that that amount will be as high as the $100 000 000 being bandied about by people.

Those who say it will have this effect on S.P. betting are deluding themselves. However, I believe that the level of S.P. betting might be reduced by some small amount. I am not supporting the second reading of this Bill on the basis of that argument as I believe it does not have much foundation. I repeat, in conclusion, that this Bill is only for a trial period of 12 months. If this Bill is passed and the trial proceeds, I will reconsider my stance at the end of that trial period, if it can be proved to me that there have been grave social and economic consequences emanating from this trial period I might change my opinion, but I do not believe that that will be the case. For that reason I support the second reading and intend moving the amendment on file in my name during the Committee stages.

The Hon. J.R. CORNWALL (Minister of Health): I thank honourable members for their contribution to this debate and in particular thank the Hon. Mr Lucas who gave what I considered to be, by and large, a reasonable summary of the Bill before us. It has always been my contention that if we are in the business of running a Totalizator Agency Board then we ought to give the public service. I am aware that when initiatives were first taken in this State historically we had to go through the pretence of making it relatively difficult and uncomfortable for people to have a bet. There were quite severe restrictions with regard to closing time for the last bet before a race. One had to wait for the next day of operation, the next day on which there was a race meeting, to be paid.

Generally, they were fairly spartan conditions. I believe that we should facilitate the operation to the extent that it is reasonable. Because of that, and because of the change of attitude, we now have 'after-race' pay-outs, as the Hon. Mr Lucas pointed out. One can get set five minutes before a race and operate on a telephone account. One can do anything with the T.A.B. these days except obtain credit, although there was one notable instance not so long ago where an enterprising gentleman obtained credit. By and large, that is not the case.

However, over 15 or 16 years since the T.A.B. was introduced a service has been provided. If one accepts that gambling *per se* is not an immoral activity, that gambling within one's means is not against community standards and not a marked social evil in all sorts of circumstances, one has to accept that we are in the business of providing a service. We want to facilitate people's ability to transact business with the T.A.B. The provision was a sham when it was originally introduced, and I am sure that you, Sir, would recall (because you have a marked interest in these matters) that we went through the business of saying that the money would go to the Hospitals Fund. Of course, in this day and age the Hospitals Fund is a complete sham. I know that, because I do not get any money from it.

In fact, the money passes through the Hospitals Fund into Consolidated Revenue no matter where it is generated. It goes to the Hospitals Fund and then to Consolidated Revenue, and it is included in the $2 billion that is carved up for the State Budget. It certainly makes no impact on the running of the State's hospitals, any more than the Golden Casket in Queensland has any effect in that regard. I believe we should try to be honest with ourselves in deciding how to vote on this Bill. There are substantial safeguards in the Bill. Clause 4 (3) provides:

> The Minister shall, in determining whether or not to give an approval referred to in this section, have regard to the proximity of the premises to places of public worship, schools and other educational institutions and to such other matters as he considers relevant.

Therefore, there are substantial safeguards to protect the community mores. Further, the Bill came from the House of Assembly with a substantial amendment, which was inserted by the former Minister of Recreation and Sport and which, of course, provides that the Bill is short-term sunset legislation to expire on 30 June 1984. Thus, all that the present Minister of Recreation and Sport is currently asking in effect and in practice is a 12-month trial period. The Minister has already stated quite specifically where it is intended that the easy-tote machines will go in the first instance. There will be a limited number of machines.

The Hon. Diana Laidlaw: How many does the Minister envisage?

The Hon. J.R. CORNWALL: From recollection, there will be only six or eight. A 12-month trial period is intended. Of course, we live in the age of automatic vending machines. I resisted this factor, being something of a Luddite, but unfortunately I was forced to go to automatic transactions and I must admit that they are very convenient. On principle, I did not want to do that, but when one keeps odd hours as I do (because of the nature of my job), one is forced to take that action. This is sunset legislation and it must come back to the Parliament within 12 months.

There are adequate safeguards to protect community mores and morals, so frankly I really cannot see any objection to the Bill. It is a relatively insignificant piece of legislation, and I do not believe that it advances the cause of democratic socialism to any marked degree or that it will have a marked effect on the redistribution of wealth across the community. I do not believe it is one of the most significant pieces of legislation that the Bannon Government will introduce in its first term. Having said all that, however, on balance I believe that any reasonable member of this Council should be able to support the Bill, and I appeal to members to use their common sense and to give this Bill the support, for what amounts to a limited trial period, that it deserves.

The Council divided on the second reading:

Ayes (7)—The Hons Frank Blevins, G.L. Bruce, J.R. Cornwall (teller), M.S. Feleppa, Anne Levy, R.I. Lucas, and C.J. Sumner.

Noes (8)—The Hons J.C. Burdett, M.B. Cameron (teller), L.H. Davis, R.C. DeGaris, H.P.K. Dunn, I. Gilfillan, K.T. Griffin, and K.L. Milne.

Pairs—Ayes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese. Noes—The Hons C.M. Hill, Diana Laidlaw, and R.J. Ritson.

Majority of 1 for the Noes.

Second reading thus negatived.

PAY-ROLL TAX ACT AMENDMENT BILL (1983)

The House of Assembly intimated that it had agreed to the Legislative Council's suggested amendments and had amended the Bill accordingly.

SURVEYORS ACT AMENDMENT BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendment.

REAL PROPERTY ACT AMENDMENT BILL

The House of Assembly intimated that it had disagreed to the Legislative Council's suggested amendment.

Consideration in Committee.

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

That the Council insist on its amendment.

The situation has been reached where we can arrive at an agreement on this Bill. The problem is that it is not now possible without a conference to achieve that agreement. I will not delay the Council. Suffice it to say that the sooner we can get the conference established, the sooner we can get the matter resolved. Although I move this formally, I suggest that the House insist on its amendment so that the conference can be set up.

The Hon. K.T. GRIFFIN: As the Attorney-General has indicated, I believe that because of the technical provisions of the Standing Orders we will need to go to a conference to ensure that a compromise which has been discussed informally can be considered formally and be brought back to the Council. To facilitate that, I hope that the Council will insist on its amendment so that we can move to a conference.

Motion carried.

A message was sent to the House of Assembly requesting a conference at which the Legislative Council would be represented by the Hons G.L. Bruce, L.H. Davis, H.P.K. Dunn, K.T. Griffin, and C.J. Sumner.

CASINO ACT AMENDMENT BILL

Received from the House of Assembly and read a first time

INDUSTRIAL CONCILIATION AND ARBITRATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 31 May. Page 1702.)

The Hon. L.H. DAVIS: Clause 6 is the essential part of this Bill, because it seeks to replace section 146b, which was introduced by the Tonkin Government in August 1981 when a State wage case hearing provided an increase of 4.5 per cent for employees under State awards, following an award of only 3.6 per cent to all employees under the Federal Commission's jurisdiction.

Not surprisingly, it was that variation which was regarded with some concern by the Tonkin Administration. It had serious economic implications for South Australia then and possibly in the future. Those implications are even more obvious now when one looks at the present state of the South Australian economy because we can see that salary and wage determinations have a critical impact on the current employment position, future prospects for the economy and may, in many cases, be of critical importance in determining whether an existing firm remains in South Australia and expands its operations or whether other companies establish in this State.

It is difficult to understand why the Government has sought to amend this section. I suspect that this amendment is the second leg of a quinella which has been proposed by the trade union arm of the Labor Party. The first leg of the quinella was the amendments to the workers compensation legislation. It is interesting to note that, in relation to Public Service salary and wage determinations, the present Government would be grateful to have the existing provisions of this legislation available to it. The publicity given to Public Service claims for wage increases over the past six months supports that fact.

In March and April this year the Premier and Treasurer, Mr Bannon, warned Public Service union leaders of possible job losses if they pursued a 6 per cent wage claim in the face of a looming State Budget deficit. Honourable members would be aware that Public Service union leaders had been pressing for a 6 per cent increase in salaries and wages toward the end of 1982. In rejecting that claim, the Premier not only used the argument that a wage pause was in force but also made the obvious point that a 6 per cent wage claim would possibly affect the level of employment in the Public Service. I refer to a report in the *Advertiser* of 2 March 1983, as follows:

> It is understood Mr Bannon told them that, with the State facing a possible Budget deficit of at least $60 000 000, the Government was already hard pressed to retain its Public Service workforce at existing levels, without having to contend with a substantial pay claim.

It is interesting to note that the Hon. Mr Milne was to the fore in asserting the views of the Democrats. The Australian Democrats were very much opposed to the Public Service pay claim. In fact, that became even more evident when increases were awarded to senior Government officials and Supreme Court judges in April 1983. In fact, a 10.3 per cent pay rise was awarded to that group. At the time it was reported in the media that the wage rise caused members of that group some embarrassment and surprise.

The rise was slammed by the Australian Democrats Parliamentary Leader as being 'provocative and ill-timed'. In the *News* of 20 April 1983, the Hon. Mr Milne said:

> I don't know why Mr Bannon did it. South Australia is having a bad time and we cannot afford it.

It is important that the Hon. Mr Milne's remarks are placed on the record, because the Hon. Mr Milne said tonight, one month after his remarks were reported in the *News* of 20 April, that we should increase workers compensation premiums. Only a month ago, the Hon. Mr Milne said that South Australia was having a bad time and could not afford wage increases; a month later he is saying that we can afford them.

The Hon. K.L. Milne: I never said that we could afford wage increases.

The Hon. L.H. DAVIS: Workers compensation premiums.

The Hon. K.L. Milne: Make clear what you are talking about.

The Hon. L.H. DAVIS: I thought I made myself clear to everyone, but obviously not to the Hon. Mr Milne. I will concentrate on what the Premier said when these increases were granted. When asked if the rises were appropriate at a time when wage restraint was widely urged, the Premier stated:

> As I understand, it was an arbitrated award made by the Public Service Arbitrator as a result of proceedings that had been going on for some months. He has announced his decision. There is nothing very much that we can do about that. We have not got the power.

There is an example of the Premier's hiding behind the fact that, although obviously the economic circumstances and the state of South Australia's Budget position suggest that salary and wage increases should not be granted, and given also that there is a national wage pause currently in force, he was pleading that he did not have the power. However, existing section 146b(2) provides:

> In deciding whether a proposed determination would be consistent with the public interest an industrial authority:
>
> *(a)* shall consider the state of the economy of the State and the likely effects of the determination on that economy with particular reference to its likely effects on the level of employment and on inflation;

In regard to that provision surely the first point that I made, namely, that claims by the Public Service for a 6 per cent wage increase is on all fours with current section 146b (2) *(a)*, and that the Government was considering the state of the economy with particular reference to its likely effect on the level of employment was, in fact, the argument that the Premier used at that time. Surely it can be argued that this State's industrial conciliation and arbitration machinery should have that power. Surely we can argue that in a regional economy where there are certain geographical disadvantages and economic differences, for example, the unduly heavy reliance of manufacturing industry which has been more savagely hit than other sectors of industry, there should be some recognition of that fact when we come to make allowances and judgments on what the salary and wage levels should be for employees in this State.

We have had examples of Ministers of this Government saying that we have a low cost structure in South Australia and we should make sure that we retain it so that we can work it to our advantage in attracting and strenthening new industry.I distinctly remember a public statement being made on that matter within recent weeks by the Minister of Housing in another place.

In his policy speech, the Premier said that this is precisely what section 146 did. This section was not a creation of the Tonkin Government to further the interests of rich employers or so-called captains of industry. This was in response to the reality; namely, that a State authority had given an award above a Federal award, and that is only going back two years. Section 146b has been in operation for about two years only.

In the second reading explanation no concrete criticism was made as to the current operation of section 146 as it now stands. The only reference made is as follows:

> The amendments contained in the August 1981 Bill placed an unworkable burden on the Industrial Commission by requiring it to have regard to factors that were not quantifiable and were directly contrary to the commission's prime function of preserving industrial peace.

That is a poor argument because, as I have already said, the level of employment and the impact of inflation are critical and basic factors when one comes to making a judgment and final determination on salary and wage increases.

The other point which is being made and which I think is a limp argument is that the Liberal Government rejected the proposition of the Cawthorne Report. True, it was at variance on the matter that we have been discussing. I do not accept the argument that the Government of the day should agree to everything contained in a report commissioned by it. It is not incumbent upon the Government to accept every proposition.

The Hon. K.L. Milne: You do not have to accept it, but you could have distributed it.

The Hon. L.H. DAVIS: The Hon. Mr Milne may have a point, but he would accept my proposition, which is more pertinent to this debate, that when a Government commissions a report it is not bound to implement every recommendation. Certainly, the grounds which in 1981 led to new section 146 were certainly real and justified that move. I do not accept the reasons brought forward for the substitution of a new section, as provided in clause 6. I oppose that clause.

The Hon. K.L. MILNE: This Bill has nine clauses, but apparently only clause 6 is controversial. The Hon. John Burdett has said that he will not oppose the Bill but will seek to have section 146b retained. This is understandable because the controversial section 146b caused a great deal of bitter debate and villification when the then Liberal Government introduced it in August 1981. The fact was that the Liberal Government, which leans heavily towards the employers' interests, was very concerned that over the years the State Industrial Commission had made decisions which were not in the employers' interest and, therefore, not in the employees' or the State's interests. It was quite right, of course, and the result can be seen with our diminishing industrial complex today.

But, neither the Labor Government nor the Liberal Government has diagnosed what the trouble really is, nor have they had an open discussion on it, in spite of the fact that a solution to it is vital for South Australia's survival as a force to be reckoned with, both in Australia and overseas. Section 146b was inserted, after a great deal of name calling and bitterness, with the intention of preventing the State Industrial Commission from bringing down decisions which would raise South Australian wages, salaries and working conditions beyond the level of decisions handed down by the Australian Industrial Commission. After a great deal of thought, I eventually supported it.

As far as I can find out now, the facts are that the State Industrial Commission has only once made a decision which exceeded a Federal decision. That was in the 1981 State wage case where the Australian commission awarded an increase of 3.6 per cent and the State commission awarded 4.5 per cent. I have heard the explanation of why they did this. But whether justified or not, it was a most unfortunate decision, in my view. It may have averted industrial trouble, but it made the major employers all over the State feel that the State commission was irresponsible—and they still feel that way. And, if the members of this council were as worried as our manufacturers are, we might feel the same. What the Government is doing in removing the restraint on the State commission (which some say is a straightjacket but that is an exaggeration) and allowing it greater discretion to make decisions above or below Federal decisions. This has got the employers worried and I can understand that, but I feel that they are unduly concerned.

The South Australian commission is not untrustworthy. We have to remember that the commission is made up of commissioners drawn from both the employers and trade union areas. This is meant to create a balance, and I would think that it has. The difficulty, as I see it, is that the State commission has never been told what is expected of it, nor have they realised the special place which South Australia has in the Australian industrial scene. Thus they have been concerned (and I agree that they have been under enormous trade union pressure) that South Australia is a follower of Federal awards, and often after considerable delays. In fact, the South Australia Full commission said the following in 1975:

> Thus the State commission has in the past tended to add its own 'gross shortfall' type guideline to any Federal guidelines. As the South Australian Full Commission said in the 1975 case, 'This is, of course, an approach which is a direct product of the situation in which South Australian rates tend to be followers, and where there can often be a substantial time lag before they are adjusted following movements elsewhere which traditionally give birth to them.'

Thus they have assumed, wrongly as it turned out, that their job was to justify increases in State pay awards which lagged behind Federal Awards. Once they adopted this attitude (and no State Government has dared to try to stop them) South Australia's industrial base was doomed.

So you may say, 'Why then, should we give them back the power to make decisions which may further erode or destroy South Australia's economy and increase unemployment?' My answer is, firstly, that no other State places a restriction like section 146b on its commission; secondly, that we must all take responsibility for what has happended; and thirdly, I hope that in future the commission will understand that South Australia needs a wage differential for its industry to survive. Incidentally, the inclusion or exclusion of Section 146b will have no influence on that problem. I mentioned in the debate on the Workers Compensation Bill, and I think that it is worth noting again here, that since 1965 the differential in labour costs between Victoria, one of our major markets, and South Australia has deteriorated. I again give three examples. The differential between South Australia and Victoria expressed as a percentage of what is paid in Victoria, taking Victoria as 100 per cent, is this: the clerks award was 91.7 per cent in 1965 and 97.5 per cent in 1982 (of the Victoria award). The shops (Shop Assistants 1965 Award) was 100.86 per cent in 1965 and 102.6 per cent in 1982. The Metals (S.A. Award) was 88.7 per cent in 1965 and 101.0 per cent (complete madness) in 1982. The Metal Industry Award has gone from 11.3 per cent below Victoria to 1 per cent above.

The Hon. L.H. Davis: How can you tell us that after what you said about workers compensation?

The Hon. K.L. MILNE: Oh, shut up! No wonder our metal industries can no longer compete! No wonder General Motors are closing their Woodville plant! No wonder our unemployment is increasing so rapidly! It should be noted that sick leave and long service leave, in both of which South Australia is a pace-setter, have contributed significantly to the change in these differentials. South Australians receive 10 days sick leave as opposed to eight in Victoria and South Australians receive 13 weeks leave after 10 and not 15 years of service for long service leave. That is why I am asking the Government to call a State economic summit and to 'stop the fight'. I regard it as just as urgent for the State as the Prime Minister thought it was for the whole of Australia.

Everyone in South Australia, and the United Trades and Labor Council in particular (that means the Labor Government, too), must understand how Sir Thomas Playford developed South Australia into a manufacturing State, wisely or unwisely, we do not know yet. He did it when the differential in wages and total earnings in South Australia was about 10 per cent. He instituted strict price controls; that is how he attracted industry here, and let nobody have any illusions about that. But I do not think that he really explained or emphasised to all the interested parties what the implications really were. Certainly successive State Governments have not understood it, or, if they did, they have ignored it. Of course, when we were riding on the crest of a wave, when there were mining booms, land booms, and wool booms, it did not seem to matter. We sowed the wind, and are reaping the whirlwind.

When the Playford plan was to put into operation, as I said the wage differential or margin between South Australia and New South Wales and Victoria was about 10 per cent. By 1965 it was 9 per cent. By 1969 it was 3 per cent. By 1982 it had gone; in fact, some of our labour costs, by State awards and other legislation, were ahead of Victoria. This is economic suicide for South Australia. As we now can see clearly, this was about the silliest, most senseless, most damaging course which South Australia could have taken. I am prepared to take my share of the blame, and other honourable members must all take theirs.

I keep trying to tell people who should be interested that the real fight is not between employers and the trade unions in this State but is between the employers and unions in South Australia and the employers and unions in Victoria and New South Wales, particularly Victoria. It is quite unproductive for the employers and the unions to continue to confront each other when both are losing the war. Each step towards parity with Victoria and each trend-setting reform (and holdiay pay and long service leave conditions in South Australia are two examples) means more unemployement, less industry and more misery. If you do not believe this ask the unemployed. We have asked them. In fact, we have had three conferences with some seventeen organisations trying to help the unemployed, and their view of both the Liberal and Labor Parties and the trade unions is quite startling and very critical.

I have told you all before that the fact that the cost advantage of manufacturing in South Australia was once 9 per cent and is now almost nil is not an accident. It is a deliberate policy of an unholy alliance between two very strange partners—the major manufacturing companies in New South Wales and Victoria (mainly Victoria) and the trade unions in New South Wales and Victoria—to ensure that the competition from South Australia is either minimised or annihilated. How did they do it? First, by encouraging Federal awards in place of State awards and, secondly, by encouraging the South Australia branches of unions to demand the same take home pay as in New South Wales and Victoria. The South Australian unions were too blind to see the catch, and their leaders—the paid staff—failed to point it out, yet they knew what was going on. Of that I am certain.

On the other side, the employers were not organised, or were too comfortable to care, and Public Service came in on the sidelines, laughing all the way to the bank. How do I know that this plot against South Australia existed—and still exists, because it is not completed yet (and it is against Western Australia and Tasmania too, of course), although Western Australia has resisted the trend of Federal Awards applying to Western Australia, which must have been by agreement between the Western Australia Government and the Western Australian branches of unions? Western Australia woke up to it much earlier.

I found out about the scheme when I was in London as South Australia's Agent-General and Trade Commissioner from 1966-71, when it was my job to sell South Australia and when the New South Wales/Victoria programme had already begun. There were a number of instances when I was interviewing the representatives of companies thinking of coming to Australia when I would point out the advantages of setting up in South Australia (such as a 9 per cent wage differential and price control) and they would reply that such an advantage was temporary, and that the New South Wales and Victoria trade unions would see to that. Indeed, two major companies described to me how it was to be done, because when they interviewed the trade commissioners from Australia House (all or most of whom were from the Eastern States) they had it explained very clearly that South Australia was on the skids. That was not exactly an unbiased view, but that is how people from Canberra, Sydney and Melbourne regarded South Australia in the late 1960s, and it is how they look upon us now.

They were right, apparently, and the Minister of Labour must know that what he is doing in continually raising and improving wages, salaries and working conditions to the level of the Eastern States, and in some cases beyond, is not in the interest of anyone in this State—not the employers,

workers, unemployed, and not in his interests either, if he only stopped to think.

The Minister and his colleagues in the Cabinet must know; if they did not know, then they know now. If they do know, and if they persist in this lemming-like programme, their term in office will be short.

It seems that they will never learn. That appears to be abundantly clear, because the Hon. Mr Wright now wants to increase what he calls 'job protection'—meaning redundancy or dismissal payments of any kind. He wants to intervene to support the Federal A.C.T.U. claim that four weeks pay plus four weeks for every year of service should be made compulsory. The Hon. Mr Wright suggests half of that, but it must be obvious to him, and to others, that the burden of redundancy pay is already enormous for employers, especially those experiencing hard times.

I know of one quite large firm in South Australia which simply cannot afford to put off staff; so they offered the whole staff either a four-day week on four days pay or liquidation of the company.

The staff accepted a four-day week, and the unions could do nothing about it. They tried, of course, with threats. It seems that they will never learn, either. Neither will their brethren in the Federal sphere, because they do not want South Australian unions to succeed.

As Max Harris put it in the *Sunday Mail* on 29 May 1983, 'South Australia. . . . .is dying of terminal geographic isolation', and that is true, and suits the rest of Australia very well. He says that the old days are gone, and he is quite right, unless we do something drastic about it. Western Australia did, and so can we.

The employers are frightened to protest too much, so the South Australian economy crumbles and our unemployment—already the worst of the mainland States—roars ahead. I therefore implore the Government to stop the fight. I ask Mr Bannon to call a State summit to get the unions, the employers and the Government together to work out how South Australia can survive other than as another Ballarat or Kalgoorlie. Let us define the enemy in the proper place, namely Victoria. Let us get together and win for a change, because South Australia is losing the battle. And it is entirely our own fault.

The Hon. FRANK BLEVINS (Minister of Agriculture): I thank honourable members for their contributions to the debate. The contributions, to say the least, were fairly diverse, but very interesting, and I can assure honourable members that the Government will take their views into consideration. The Government is quite sure that this measure will not disadvantage this State in any way *vis-a-vis* Victoria or anywhere else. It is a sensible measure and should be supported by the whole Council. I commend the second reading to the Council.

Bill read a second time.

In Committee.

Clauses 1 to 5 passed.

Clause 6—'Due regard to be had to certain general principles, etc.'

The Hon. J.C. BURDETT: As I indicated in my second reading speech, I oppose clause 6 for the reasons that I stated in that speech, which I do not propose to repeat in detail. Similar reasons were given by the Hon. Legh Davis in his second reading speech. Clause 6 is the most important clause in the Bill, and seeks to repeal section 146b, which had been inserted by the previous Government in 1981. The purpose of section 146, of course, was to give a reasonable direction to the commission in regard to the determinations of the Federal commission where the national economy had been considered. I do not believe that it is unnecessarily flexible; it was a reasonable direction.

I really was quite amazed by the second reading speech of the Hon. Mr Milne in which he said that what has happened in various cases in South Australia recently in regard to wages was complete madness. He launched into a diatribe against the Government, yet it is amazing to find that he supports the Government, presumably, because he has not said anything to the contrary in regard to clause 6. He is not prepared to allow a reasonable direction to the commission to remain. I oppose this clause.

The Hon. FRANK BLEVINS: As the Hon. Mr Burdett has said, the arguments surrounding this clause have been extensively canvassed. I agree with the Hon. Mr Burdett that this clause is the nub of the Bill and that it is the most important clause. The Government believed that section 146b was totally unnecessary and was an unreasonable restriction for the commission. In fact, I understand that the commission does not want it, either. If my memory serves me correctly, I think the Cawthorne Report also states that it is unnecessary. I urge the Committee to support the clause.

The Committee divided on the clause:

Ayes (8)—The Hons Frank Blevins (teller), G.L. Bruce, J.R. Cornwall, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne, and C.J. Sumner.

Noes (7)—The Hons J.C. Burdett (teller), M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, K.T. Griffin, and Diana Laidlaw.

Pairs—Ayes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese. Noes—The Hons C.M. Hill, R.I. Lucas, and R.J. Ritson.

Majority of 1 for the Ayes.

Clause thus passed.

Remaining clauses (7 to 9) and title passed.

Bill reported without amendments. Committee's report adopted.

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

That this Bill be now read a third time.

The Hon. J.C. BURDETT: I oppose the third reading of this Bill. The Minister of Agriculture acknowledged during the Committee stages that clause 6 is the nub of the Bill. Because that clause remains as part of the Bill, the Bill is unacceptable. Therefore, I oppose the third reading.

The Council divided on the third reading:

Ayes (8)—The Hons Frank Blevins (teller), G.L. Bruce, J.R. Cornwall, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne, and C.J. Sumner.

Noes (7)—The Hons J.C. Burdett (teller), M.B. Cameron, L.H. Davis, R.C. DeGaris, H.P.K. Dunn, K.T. Griffin, and Diana Laidlaw.

Pairs—Ayes—The Hons B.A. Chatterton, C.W. Creedon, and Barbara Wiese. Noes—The Hons C.M. Hill, R.I. Lucas, and R.J. Ritson.

Majority of 1 for the Ayes.

Third reading thus carried.

Bill passed.

REAL PROPERTY ACT AMENDMENT BILL

A message was received from the House of Assembly agreeing to a conference to be held in the House of Assembly conference room at 1.45 p.m. on Thursday 2 June.

JOINT SELECT COMMITTEE ON THE ADMINISTRATION OF PARLIAMENT

The House of Assembly intimated that it concurred in the resolution of the Legislative Council and that it would

be represented on the committee by four members, of whom two shall form the quorum necessary to be present at all sittings of the committee. The members of the joint committee to represent the House of Assembly would be the Speaker, the Hons J.D. Wright and B.C. Eastick, and Mr Gunn.

The House of Assembly also intimated that it had resolved to suspend Joint Standing Order 6 so as to entitle the Chairman to a vote on every question, but that when the votes were equal he should have a casting vote also.

Consideration in Committee.

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

That the members of the Legislative Council on the joint select committee be the President, the Hons G.L. Bruce, C.W. Creedon and K.T. Griffin.

Motion carried.

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

That Joint Standing Order 6 relating to joint committees be suspended to enable the Chairman of the joint select committee to have a deliberative vote as well as a casting vote when there is an equality of votes.

Motion carried.

JOINT SELECT COMMITTEE ON PARLIAMENTARY LAW, PRACTICE AND PROCEDURES

The House of Assembly intimated that it had agreed to the resolution from the Legislative Council with the following amendment:

Leave out 'six' and insert in lieu thereof 'seven'.

to which amendment the House of Assembly desired the concurrence of the Legislative Council.

The House of Assembly also intimated that, in the event of a joint committee being appointed, it would be represented on the committee by seven members, of whom four should form a quorum necessary to be present at all sittings of the committee. The members of the joint committee to represent the House of Assembly would be Mr Becker, the Hons B.C. Eastick and D.C. Brown, Mr Klunder, Ms Lenehan, Messrs Groom and Trainer.

The House of Assembly further intimated that it had also resolved to suspend Joint Standing Order 6 so as to entitle the Chairman to a vote on every question, but that when the votes were equal he should have a casting vote also.

Consideration in Committee.

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

That the House of Assembly's amendment to leave out 'six' and insert 'seven' be agreed to.

Motion carried.

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

That the members of the Legislative Council on the joint select committee be the Hons G.L. Bruce, J.C. Burdett, M.B. Cameron, R.C. DeGaris, Anne Levy, K.L. Milne, and C.J. Sumner.

Motion carried.

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

That Joint Standing Order 6 relating to joint committees be suspended to enable the Chairman of the joint select committee to have a deliberative vote as well as a casting vote when there is an equality of votes.

Motion carried.

ADJOURNMENT

At 12.45 a.m. the Council adjourned until Thursday 2 June at 2.15 p.m.