LEGISLATIVE COUNCIL

Tuesday 29 March 1988

The PRESIDENT (Hon. Anne Levy) took the Chair at 2.15 p.m.

The Clerk (Mr C.H. Mertin) read prayers.

LOCAL GOVERNMENT ACT AMENDMENT BILL

At 2.16 p.m. the following recommendations of the conference were reported to the Council:

As to Amendments Nos. 1 and 2:

That the Legislative Council do not further insist on its disagreement thereto.

As to Amendments Nos. 3 and 4:

That the House of Assembly do not further insist on its amendments.

As to Amendment No. 5:

That the House of Assembly do not further insist on its amendment but make the following amendment in lieu thereof: Clause 10, page 14, line 17—Leave out 'two' and insert 'three'.

and that the Legislative Council agree thereto.

As to Amendment No. 6:

That the House of Assembly do not further insist on its amendment but make the following amendments in lieu thereof: Clause 10, page 17, after line 40—Insert new subsection as follows:

'(5a) The locality of land may only be used as a differentiating factor as follows:

(a) there may be differentiation according to the zone in which the land is situated;

(b) there may be differentiation according to whether the land is situated within or outside a township;

or

(c) where there are two or more townships in an area—there may be differentiation according to the township in which the land is situated."

Page 18, after line 32—Insert new subsection as follows:

'(14) In this section—

"zone" means a zone established by regulation under the Building Act 1970, or defined as a zone, precinct or locality by or under the Planning Act 1982, or the City of Adelaide Development Control Act 1976.'

and that the Legislative Council agree thereto.

As to Amendment No. 7:

That the House of Assembly do not further insist on its amendment but make the following amendment in lieu thereof: Clause 10, page 22, lines 12 to 15—Leave out subparagraph (iii) and insert:

'(iii) the council cannot decide that rates of the same kind for a subsequent financial year will be payable in a lesser number of instalments unless:

the council has obtained the Minister's approval;

or

rates of that kind for the previous three financial years have been payable in four instalments and the proposed change is that rates of that kind are to be payable in two instalments;'

and that the Legislative Council agree thereto.

As to Amendment No. 8:

That the Legislative Council do not further insist on its disagreement thereto.

As to Amendment No. 9:

That the House of Assembly do not further insist on its amendment but make the following amendment in lieu thereof: Clause 10, page 22, after line 24—Insert new word and subparagraph as follows:

'and

(iii) the council cannot decide that rates of the same kind for a subsequent financial year will be payable in a single instalment unless:

the council has obtained the Minister's approval;

or

rates of that kind for the previous three financial years have been payable in two instalments;'

and that the Legislative Council agree thereto.

As to Amendment No. 10:

That the House of Assembly do not further insist on its Amendment but make the following amendment in lieu thereof. Clause 10, page 28, after line 9—Insert new subsection as follows:

'(2a) After the financial year 1991-1992, the number of properties in an area subjected to an increase in the amount payable by way of rates because of the fixing of a minimum amount under this section may not exceed 35 per cent of the total number of properties in the area subject to the separate assessment of rates.'

and that the Legislative Council agree thereto.

As to Amendment No. 11:

That the House of Assembly do not further insist on its amendment.

As to Amendments Nos. 12 to 17:

That the Legislative Council do not further insist on its disagreement thereto.

PETITION: TOBACCO PRODUCTS

A petition signed by 438 residents of South Australia praying that the Council would urge the Government not to increase State taxes on cigarettes nor to increase funding for anti smoking campaigns was presented by the Hon. T. Crothers.

Petition received.

PETITION: SHOP TRADING HOURS

A petition signed by 5 259 residents of South Australia concerned about extended trading hours praying that the Council will support legislation to allow the extension of trading hours on Saturday afternoon was presented by the Hon. I. Gilfillan.

Petition received.

QUESTIONS ON NOTICE

The PRESIDENT: I direct that written answers to the following Questions on Notice, as detailed in the schedule that I am now tabling, be distributed and printed in *Hansard:* Nos. 66, 129, 155, and 157.

SOBERING UP CENTRES

66. **The Hon. K.T. GRIFFIN** (on notice) asked the Minister of Health: Since the proclamation of the Public Intoxication Act—

1. What places have been declared as sobering up centres and when were they so declared?
2. To 30 June 1987, what numbers of persons have been—
   (a) delivered to each sobering up centre?
   (b) detained in each sobering up centre?
3. Of the persons referred to in question 2—
   (a) how many were males, how many were females?
   (b) how many males and how many females were under 18 years of age?
   (c) how many males and how many females and how many under 18 years of age were of Aboriginal origin and how many were of non Aboriginal origin?

The Hon. J.R. CORNWALL: The replies are as follows:

1. DASC's Osmond Terrace Clinic, 92 Osmond Terrace, Norwood was proclaimed as a sobering up centre on 30 August 1984 but ceased to provide a sobering up service on 20 February 1987 to allow for operational changes and renovations. On 20 February 1987 this service was transferred to the Salvation Army William Booth Memorial Centre which was given ministerial approval as approved premises under 7 (3) *(b)* of the Public Intoxication Act.

2. *(a)* From 30 August 1984 when the Act was proclaimed to 20 February 1987, 130 persons were admitted to Osmond Terrace Clinic under the Act, following referral from the police. Since the service was transferred to the Salvation Army William Booth Memorial Centre on 20 Februrary 1987 and up until 19 February 1988, 26 persons have been referred by the police to the William Booth Memorial Centre.

(b) No persons were detained in sobering up centres under the Act.

3. *(a)* Osmond Terrace—Maie: 126
Female: 4
William Booth Memorial Centre—all 26 were male

(b) Osmond Terrace—none under the age of 18. Statistics are not available from William Booth Memorial Centre.

(c) Statistics are incomplete. However, at this stage it is possible to identify two referrals under the Public Intoxication Act to Osmond Terrace Clinic as being of Aboriginal origin.

PUBLIC HOSPITALS

129. **The Hon. M.B. CAMERON** (on notice) asked the Minister of Health:

1. What was the total number of beds available at each of the major metropolitan public hospitals for each respective year from 30 June 1982 to 30 June 1987, inclusive?

2. What are the projected figures for the total number of beds for each institution as at 30 June 1988 (include the Hampstead Centre in the Royal Adelaide Hospital's figures)?

3. What were the total number of doctors available at each of the major metropolitan hospitals for each respective year from 30 June 1982 to 30 June 1987 inclusive?

4. What are the projected figures for the total number of doctors for June 30, 1988?

The Hon. J.R. CORNWALL: The replies are as follows:

1. and 2. The number of available hospital beds is defined in the South Australian Health Commission's monthly management summary system as the number of beds which are immediately available to be used by patients if required. Immediately available means they are located in a suitable place of patient care and there are nursing and other auxiliary staff available to service patients who might occupy them.

The information on available beds is collected monthly and the table below contains the average number of available beds by year at each of the major metropolitan hospitals.

	Available Beds*					
	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
ACH	248.6	238.7	231.7	216.9	215.0	186.0
Modbury	225.8	228.0	226.3	222.6	225.0	223.0
Lyell McEwin	179.9	181.0	172.5	179.9	180.0	176.0
RAH (incl Hampstead)	1 055.2	1 037.2	1 058.3	1 037.2	1 029.0	1 033.0
TQVH	177.3	170.2	168.8	170.9	171.0	160.0
TQEH	695.2	690.2	661.0	610.3	581.0	580.0
FMC	489.0	494.0	498.3	495.6	509.0	504.0

* Excludes Hampstead Nursing Home

No change is anticipated in 1988 but this will be subject to funding at State and Commonwealth levels and managerial reviews of individual hospitals.

3. DOCTORS** FTE

	RAH	FMC	TQEH	LMc	Mod	Hill	Glen
1986-87	282.37	262.68	205.78	52.24	70.85	36.04	31.99
1985-86	263.94	236.37	188.02	44.61	55.14	37.36	28.31
1984-85	264.02	219.42	182.98	46.87	53.27	33.46	21.70
1983-84	253.39	214.61	176.97	44.60	58.09	31.34	20.60
1982-83	243.14*	205.60*	175.11*	39.15	57.54*	29.86	16.18

* Estimate only

** As background information it should be noted that there were difficulties in obtaining accurate figures for VMO's in 1982-83.

This includes the following award classifications: (qualified medical officers MO1, MO11; trainee medical officers MOR 3-5; visiting medical staff MOV 1-3; casual medical officers MOW 1-3).

It excludes the award classification of intern (MOR 2) and persons engaged as locum interns (MOR 1).

Prospective figures for the financial year 1988 were also requested. These figures are not readily available. In the current economic climate it is advised that whilst fluctuations in the numbers of staff may occur between classification levels, the total number of FTE's would not be expected to vary greatly from those of the last two years.

SOCIAL HEALTH STRATEGY

155. **The Hon. DIANA LAIDLAW** (on notice) asked the Minister of Community Welfare:

1. How many copies of 'A Social Health Strategy for South Australia 1988' have been produced and what is the total production cost?

2. Is the deadline for comment on the strategy to be the same as that set for the discussion paper 'A Social Health Strategy for South Australia—The Next Five Years' (November 1987), which has been extended from the end of February to the end of April 1988?

3. What consultation process is to be implemented in respect to the 'Social Justice Strategy for South Australia 1988'?

The Hon. J.R. CORNWALL: The replies are as follows:

1. 4 000 copies of 'A Social Health Strategy for South Australia' have been produced. Total production cost is $14 265 which was provided for in the 1987-88 budget of the Social Health Office.

2. The deadline for comment on the Social Health Strategy is 31 May 1988.

3. The Social Justice Advisory Committee has been convened with representation from a wide range of Government and non-Government organisations and community representatives. Approximately 2 000 copies of the Social Justice Strategy have been circulated both within and outside Government. Several departments have circulated them widely with their consumer organisations in order to generate responses. The South Australian Council of Social Services has undertaken to facilitate discussion between its member organisations and several Government agencies on the implementation of Social Justice Strategy.

FINANCIAL COUNSELLING

157. **The Hon. DIANA LAIDLAW** (on notice) asked the Minister of Community Welfare:

1. When will the Minister provide answers to questions about financial counselling raised by me during question time on 24 November 1987 (*Hansard*, page 1934)?

2. What are the answers to those questions?

The Hon. J.R. CORNWALL: The replies are as follows:

1. The following guidelines were determined after consultation with the non government sector:

Allocations should emphasise the fundamental role of client advocacy in financial counselling.

The right of clients to choose between Government and non-Government services should be recognised in the distribution of these resources.

Allocations should encourage outreach work, both to under serviced geographical areas and to target groups which are likely to be in need, but are currently low users of existing Government and non-Government services (especially Aboriginal and non-English speaking migrant clients).

Recipient agencies should be asked to demonstrate close links with sources of legal advice for their clients, as part of their advocacy role.

It appears desirable to allocate funds to agencies with an existing knowledge base in financial counselling and a capacity to expand their current operations.

Recipient agencies will be encouraged to contribute to more active networking of Government and non-Government financial counselling.

It appears desirable to create a source in the non-Government sector of policy advice and public comment on issues affecting the users of financial counselling services.

2, 3 & 4 No specific call for submissions was made. Expressions of interest were received from six organisations. In the light of the above guidelines three other organisations were approached and six were assessed as to their ability to address the needs of the specific target groups.

It is not proposed to release confidential details of organisations who registered interest, or amounts of funds sought. Allocation of funds was made on the basis of directing services at those with the highest need rather than on the basis of those who made submissions. Funds were allocated to: Aboriginal Legal Rights Movement, Bowden and Brompton Mission, Noarlunga Community Legal Services Inc., Norwood Community Legal Services Inc., and S.A.C.O.S.S. The commitment for funding is on an on-going basis subject to assessment and review.

5. The upgrading of the Financial Counselling Service within the Department for Community Welfare has been achieved without the allocation of any additional resources. The restructured service is aimed to work in close cooperation with the non-Government sector in order to provide the most effective service to consumers. The only new allocation for financial counselling has been to the non-Government sector.

6. Negotiations are presently underway to provide an information and training package for coordinators and volunteers located in Community and Neighbourhood houses on basic financial counselling. The mission is working in conjunction with the Community and Neighbourhood houses Association on this package.

7. The department provides an extensive network of offices from which casual budget advisors work. In the restructuring proposal these staff will be encouraged to work closely with local agencies and, if appropriate, work from their premises. The Department of Agriculture also provides rural counsellors who have some expertise in assisting country people experiencing financial crisis. These initiatives are viewed as the most cost efficient manner of delivering financial counselling services in country locations at this time.

POLICE COMPLAINTS AUTHORITY

The PRESIDENT laid on the table the Police Complaints Authority second annual report.

PAPERS TABLED

The following papers were laid on the table:

By the Minister of Health on behalf of the Attorney-General (Hon. C.J. Sumner):

Pursuant to Statute—

Acts Republication Act 1967:

Land Agents, Brokers and Valuers Act 1973—City of Adelaide Development Control Act 1976—Reprints: Schedules of Alterations.

Long Service Leave (Building Industry) Act 1987—Regulations—Registration, Returns and Appeals.

By the Minister of Health on behalf of the Minister of Consumer Affairs (Hon. C.J. Sumner):

Pursuant to Statute—

Liquor Licensing Act 1985—Regulations—Liquor Consumption at Ceduna and Thevenard (Amendment)

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

Pursuant to Statute—

Planning Act 1982—Crown Development Report—275KV transmission line between Tungkillo and Cherry Gardens substation.

Regulations under the following Acts—

Fisheries Act 1982—Central and southern Zone Abalone Fisheries—Unshucked Meat.

Planning Act, 1982—

Marineland Redevelopment Scheme

Surveyors Act 1975—

Prescribed Cadastral Survey.

Advertising and Conduct.

QUESTIONS

MOUNT BARKER HOSPITAL

The Hon. M.B. CAMERON: I seek leave to make a statement before asking the Minister of Health a question about the Mount Barker Hospital.

Leave granted.

The Hon. M.B. CAMERON: In recent months I have highlighted some of the problems that are being experienced by country hospitals following the Government's decision to exact a 1 per cent cut in real terms in funding from all rural health units. The cuts, which follow a similar cut in the 1986-87 financial year, are affecting small and large hospitals throughout country regions. Hospitals throughout South Australia are having to fulfil all kinds of additional administrative and financial obligations yet are not being given extra funds to cover them. The latest additional cost is the 4 per cent second-tier rises awarded to hospital employees.

The Nurses' Federation and the Miscellaneous Workers Union have already said that a crisis is looming in the health arena due to the Government's failure to provide hospitals with additional funds with which to cover these awards. Put simply, hospitals are being given no extra money to pay the troops, so they are having to cut back on services and facilities, potentially, because I am informed that it is

almost impossible to find the offsets that would be required. The Mount Barker District Soldier's Memorial Hospital, initially, appears to have fared better than some of its contemporaries. During the past 18 months some $2.7 million has been spent on capital works upgrading the hospital's theatre facilities—a move I understand that was strongly supported by the Minister of Health. Not suprisingly, as a result of these improved facilities, there has been increased demand for surgery at the hospital.

I am informed, however, that insufficient funding is available to service this brand-spanking new facility and, due to a shortfall in funding, the theatre might lie idle for three out of the next 12 months. This gloomy scenario seems quite on the cards given a recent decision by the hospital to cancel elective surgery for a fortnight, starting this week. So for the next two weeks there will be no elective surgery. That decision has been made by the hospital because of the budget problems. Doctors at the hospital tell me that the Mount Barker Hospital has suffered a chronic nursing shortage for some time, and they have been waiting (to use their words) for the 'inevitable accident' to draw attention to the problem. The shortage of funds has placed an increased burden on waiting times for surgery, and I am told that people seeking orthopaedic surgery are already waiting up to six months for an operation.

The latest move to cancel all surgery until later next month—coupled with the chronic nursing shortage—is expected to add up to six months more to the waiting period at this hospital. Waiting periods for other categories of surgery, I am told, are of a similar duration. Surgeons visiting the hospital tell me that there is a move to cut out entirely hip replacement surgery which makes up part of the operations done at Mount Barker. Although the Mount Barker Hospital performs fewer than 30 operations a week, it obviously provides a vital role to the local community in an area which is fast becoming an outer metropolitan area of Adelaide. The hospital, in conjunction with other country hospitals, must to an extent contribute to lessening waiting lists at places like the Royal Adelaide and Queen Elizabeth hospitals, by attracting visiting surgeons to do local operations.

The Hon. C.M. Hill: It's been remodelled.

The Hon. M.B. CAMERON: Yes, totally. Now that it is attracting these surgeons, and providing them with up-to-date facilities, it appears that the Government is failing to allocate sufficient funds for it to function properly. What steps will the Minister take to ensure that adequate funds are made available to the Mount Barker Hospital to ensure that elective surgery is not cancelled and that maximum use is made of these new theatre facilities?

The Hon. J.R. CORNWALL: Like many of the stories that the Hon. Mr Cameron tells, that question is part fact and part fantasy.

The Hon. M.B. Cameron interjecting:

The Hon. J.R. CORNWALL: It was a great story that you told yesterday. You had a bit of trouble getting it up and running.

The Hon. M.B. Cameron interjecting:

The Hon. J.R. CORNWALL: I think you do. If there is any move by anyone—whether it be the administration of the hospital, the board of the hospital or anyone else—to cut out hip replacement surgery, that will be stopped at once. All the hospitals are quite clearly instructed that under no circumstances are they to reduce services without the South Australian Health Commission's authorisation. Individual members of medical staff and of nursing staff can make all sorts of allegations—and, indeed, they do from time to time. It tends to characterise the health services in this State and in this country.

Particularly in the past decade, there has been a high degree of small 'p' politicisation. More recently, particularly with regard to surgeons, I fear that there is at least emerging evidence that there is a degree of large 'P' Party politicisation. Let me repeat that no individual surgeon with clinical privileges or admitting privileges to Mount Barker can make decisions as to whether hip replacement surgery or any other sort of surgery will be done away with without the specific authorisation of the Health Commission.

I certainly know of no authorisation by the Health Commission to reduce particular categories, and I repeat that, if there is any proposal to reduce orthopaedic surgery at the Mount Barker hospital, I know that the commission would act at once, and it would certainly act with my full authority. One of the proposals that I have before me at the moment for reducing further the waiting times for some categories of operations is to have more, not fewer, done in country hospitals. There is, of course, a specific amount of money that has been made available for the past two years and will be made available again next year to the tune of about $4.6 million, specifically to fund these categories such as hip replacement and a number of other orthopaedic procedures where a number of patients have waited for what, by South Australian standards, are unacceptably long times.

So, to summarise, the Mount Barker hospital is in very good order. I had a very pleasant day opening the $3 million extensions not so very long ago. It is, in some respects, well placed to do a fairly wide range of surgery. Whether it is considered to be adequate for doing hip replacements, I do not know. The only reason why there would be any move not to increase rather than diminish or decrease the number of hip replacements would be if it was not considered that it was of a standard sufficient to support that sort of major surgery. However, I will make inquiries as to that and bring back a reply.

I now refer to the story which the Hon. Mr Cameron is touting around the rural areas of South Australia at the moment (and I must say that it is a bit strange for him to be categorising Mount Barker as rural) about the second tier wage rise. There is a story doing the rounds that somehow it was a political decision taken by this Government to award the second tier wage rise (the additional 4 per cent) to the public sector health unions. The simple reality, of course, is that it had nothing directly to do with politics. The decision was made by the Federal Arbitration Commission. It was quite clearly stated within its guidelines that there had to be productivity savings.

The negotiations were conducted in South Australia in the State Industrial Commission. The agreement that was eventually ratified and agreed to by all parties was ratified by the State Industrial Commission. Part of that agreement was that the relevant unions would establish work site committees in all major hospitals, as I have told this Council on many occasions, and that they would cooperate to ensure that savings were found wherever it was reasonably possible to do so.

That is proceeding. There has been some evidence that some administrations and certainly some of the shop stewards have been somewhat less than enthusiastic in the conduct of those work site committees to date. However, it was part of an agreement, and we will insist that that agreement be honoured. To suggest, as is being done by some chief executive officers of country hospitals and by some of their board members, that it was somehow a conspiracy between the Labor Government and the industrial trade unions in the health area is, of course, an absolute

nonsense. It is a very significant slur on the State Industrial Commission, and it is particularly a slur on Commissioner Cotton, who not only negotiated and ratified that agreement with the health unions, the Health Commission and the Department of Personnel and Industrial Relations but who also as an ongoing task to ensure, by reviewing the situation from time to time, that the agreements reached are being honoured. To suggest in those circumstances that somehow some sort of a deal was done with the unions is nonsense. It was a State award. It was ratified in the State Industrial Commission, and it was ratified, of course, within the guidelines that had been established by the Federal Arbitration Commission.

STATE OPERA OF SOUTH AUSTRALIA

The Hon. L.H. DAVIS: I seek leave to make an explanation before directing to the Minister Assisting the Minister for the Arts a question on the subject of the State Opera of South Australia.

Leave granted.

The Hon. L.H. DAVIS: Last week the Premier and Minister for the Arts, Mr Bannon, made a ministerial statement on the State Opera Company of South Australia. He revealed that the company is likely to face a deficit of over half a million dollars in the current financial year due to 'an over ambitious program, poor box office results, and a failure to adjust work force numbers in line with budget allocation'. Mr Bannon described this deficit as quite unacceptable and announced that the deficit would be overcome by the State Opera mounting only two productions in 1989, compared with six productions in 1987 and six productions in 1988. Then, three productions will be scheduled in 1990, and in 1991 four operas will be produced. Mr Bannon then went on to say that although board members had offered to resign he had not accepted those resignations but had instead asked them to stay on to help turn the company around. Mr Bannon concluded his ministerial statement as follows:

> I regret that one of our flagship art companies has been so sadly lacking in its management of public funds. However, I believe that with close monitoring by the Arts Finance Advisory Committee, the Department for the Arts and Treasury it is possible for the company to recover its losses.

That the State Opera was having problems has been widely known for some time, but the magnitude of those problems and the extraordinary impact of the State Opera's savage cutback in productions is only just becoming apparent. In the past few days I have been contacted by many people about the problems of the State Opera, and today I received a letter signed by 16 employees of the State Opera. Several people commented on the fact that the public airing of the State Opera's financial and management difficulties during the Festival of Arts did not reflect well on the state of the arts in South Australia.

It has become obvious that the management and financial difficulties of the State Opera stretch back nearly two years to 1986. For a period of five months between June and November 1986 the State Opera had no qualified accountant—a remarkable situation for a company with an annual expenditure of $3 million. It was not until early 1987 that the difficult task of reconstructing the financial events of the second half of 1986 commenced.

In short, 18 months ago the State Opera's financial management systems and procedures were a mess, and I understand that some creditors faced lengthy delays before receiving payments. The financial affairs of the State Opera remained a mess in the 1987 calander year, with the financial statement for 1986-87 being made available to Parliament only last week, together with the Auditor-General's comment—which, of course, was six months later than his comments in relation to all other statutory authorities.

Until less than one year ago the State Opera had no production manager—the vital link in any professional performing arts or musical company, the person who manages and schedules the production and supervises the cost of production. No-one had the expertise to ensure that there were no cost overruns. The point made by many callers was: how can the Premier, Minister for the Arts and the Department for the Arts deny the fact that these problems have been known for some time? Why was action not taken sooner given that the State Opera receives $1.8 million from the State Government—that is taxpayers' money?

In a well sourced article in the *Sunday Mail* on 13 March the Premier is quoted as being furious that the Opera Board refused to accept any responsibility for the blowout and made it clear that heads would roll. However, there will be no board changes, apart from Mr Keith Smith being made Chairman—a move which certainly has general support.

Today, I received a letter signed by 16 employees of the wardrobe, workshop, music and stage management departments, dated 28 March, which expresses a vote of no-confidence in the Chairman, board of management and caretaker administration. The letter is addressed to the Chairman of the board. It is a sad letter and I will quote briefly from it:

> It seems to us extremely unlikely that the very same board members are now suddenly going to acquire the skills to solve these problems, when the problems are now much worse than those related to the day to day running of the company.
>
> Secondly, it states: We feel that the very specific needs of management of an opera company require an administrator with a sound theatre knowledge and background. Mr Bolt [the Acting Administrator] has been with the company since September 1987, this apparently being his first theatre appointment.

In other words, they are suggesting that perhaps he does not have the necessary experience and expertise to lead the company through this difficult period. The signatories to the letter then raise other comments:

> With respect to the workshop, wardrobe, music and stage management staff—will we be maintained next year? We have complete faith in our production team. We have good reputations in the industry as being highly skilled workers in our respective areas. Many of the teaching institutions in Adelaide seek our advice and we take work experience students from many TAFE colleges and schools. If we are not to be employed by the State Opera in 1989, it will be extremely difficult to maintain current staff this year. The ramifications of this lack of confidence and morale may jeopardise this year's programs to which we are already considerably committed. Should it become necessary to employ semi skilled casuals in the event of present staff obtaining more secure positions elsewhere, the standard of this year's productions will fail and problems will be further compounded. We question who, within the present board, could solve any of these problems . . .
>
> Further, what will happen to the wardrobe, workshop and office space, costume and set storage and stock? If these areas are to be disbanded because there will be no staff to man them, the cost of re-establishing such work areas in the future will of course be increased . . .
>
> Within the workshop and wardrobe departments, we have, over the last 14 months shown sound and responsible financial management of our respective areas. The wardrobe department has always come in on budget and, in 70 per cent of cases, well under the allotted budget, and the workshop has not exceeded its budget in 1987-88. We feel that our reputations as theatre technicians are being questioned and in view of our proven work practices, we are not responsible for the economic collapse of the company.

Therefore, quite clearly, Madam President, not only is the fate of 12 skilled staff with State Opera at stake, but also the State Opera chorus—people with skills that are not developed overnight. The impact of the drastic cutback in State Opera productions in 1989 will also severely affect the Adelaide Symphony Orchestra. The orchestra has sud-

denly lost one-third of its annual 105 or so days of performances—it will lose seven weeks work which will cost it in the order of $140 000. Of course, the Opera Theatre will be empty for several more weeks in 1989. It is a serious matter, Madam President. My questions to the Minister assisting the Minister for the Arts are:

1. Will the Minister confirm that the Government has been aware of the severe financial and management difficulties at the State Opera for at least 18 months?

2. Does the Minister accept that the Minister for the Arts and the Department for the Arts should, along with the board and management of the State Opera, accept the responsibility for the chaos which now, sadly, has engulfed the State Opera Company of South Australia?

The Hon. BARBARA WIESE: The Hon. Mr Davis seems to be giving us mixed messages in the question he has asked. On the one hand, he is telling us that the State Opera and arts organisations must be accountable and he makes all sorts of criticisms about individuals and organisations who may or may not have played some role in bringing about the very serious financial problem that has emerged in the State Opera, but on the other hand he denies at least one avenue that may be available to the board of the State Opera as a method of assisting to overcome the financial problem that now lies in front of the board. You can't have it both ways. Certainly, the State Opera board must be accountable for its use of public funding and it must also—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: —now that the extent of the financial problem has been identified, make appropriate decisions to deal with that matter in order to reduce the deficit and to get the State Opera Company back on stream. The board of the State Opera, which, I think, as the honourable member indicated, offered its resignation to the Premier, has indeed accepted its share of the responsibility for the problem that has emerged regarding the management of State Opera funding. It is now committed to making sure that appropriate steps are taken to restore the good financial management and good name of the State Opera, and I believe that in many ways those people are among the best for this task, because their personal reputations, to some extent, are at stake in relation to the problem that has emerged—

The Hon. L.H. Davis: Who's to blame for it?

The PRESIDENT: Order!

The Hon. BARBARA WIESE: —and they are very much aware that they must do something about it. It is true that the Department for the Arts learnt about the problems that seemed to be emerging in relation to the State Opera long before they became a public issue. I cannot confirm whether or not that was 18 months ago: that is something I would have to check with officers of the Department for the Arts. But, certainly, the department became aware of the problems long before they became a public issue and certainly, I believe, before the Auditor-General was in a position to find that the accounts for last year were not in a suitable form so that he could audit appropriately. Indeed, when the Department for the Arts discovered that there were problems with State Opera's financial management, suggestions and recommendations were made and advice was given to the management of the State Opera as to how some of these problems might be overcome. Thus, I believe that the Department for the Arts has played a constructive role during the time it has known about the situation that has developed regarding State Opera.

With regard to staff who are employed by State Opera, I am aware of the letter to which the Hon. Mr Davis has referred but I have been aware for only about half an hour that such a letter about the future of staff at the State Opera was sent to both Mr Davis and the Minister for the Arts. I do not know what the future will be for the staff to whom the honourable member refers. The Premier pointed out in his statement to the House of Assembly last week that, in order to achieve the savings that are necessary to overcome the financial problems of the State Opera, there will necessarily be employment implications, but the Premier also gave the assurance that every effort will be made to provide employment for those people in either the public sector or other arts companies, and the Department for the Arts will assist in providing suitable employment for any people who lose their position as a result of the restructuring that must now take place if State Opera is to survive. I am sure that the Hon. Mr Davis is not suggesting that we should try to do without the State Opera in South Australia.

He wants it to survive and certainly the South Australian Government wants it to survive, but it cannot continue to be a drain on the public purse. It cannot continue to be an organisation that is not able to manage its financial affairs. It must be properly accountable. It must manage the money it receives appropriately and proper steps are now being taken to see that that happens. I know that those people who are involved in that process will treat the interests of employees who are involved with that organisation with every sensitivity.

MEMBERS OF PARLIAMENT (REGISTER OF INTERESTS) ACT

The Hon. K.T. GRIFFIN: I seek leave to make an explanation before asking the Minister of Health, as Acting Leader of the Government in the Legislative Council, a question about the Members of Parliament (Register of Interests) Act.

Leave granted.

The Hon. K.T. GRIFFIN: In 1983, nearly five years ago, a controversy raged over whether or not some members of Parliament had complied with the requirements of the Members of Parliament (Register of Interests) Act. The Minister may remember that the member for Coles indicated that her then husband declined to disclose to her details of his interests for publication under the Act. The member for Alexandra also did not disclose the interests of his spouse. The Attorney-General responded by threatening to send in the police or Government investigators to examine the family assets of the two MPs. He said, 'The Government will use a sledgehammer to crack a nut.' He also said that if necessary the Government would amend the legislation to put a direct obligation on a member's spouse to provide information needed. In his ministerial statement, the Attorney-General said:

> The Solicitor-General, Mr M.F. Gray, Q.C., has advised me that the Act requires information to be given by the member concerning the affairs of the member's family where the information is known to the member . . .
>
> As far as the Government is concerned, it is absolutely firm in its resolve that the clearly expressed intention of the Parliament should not be avoided. This will extend if necessary to amending the legislation to place a direct obligation on a member's spouse to provide the information required by the Act. Clearly this will not be necessary if all members comply by disclosing the interests of their family which are known to them. Obviously it is only those interests which are known to them which could influence their decision-making.

Nearly five years have elapsed since that statement was made—no prosecutions have been launched, no police raids initiated and no amendments to the legislation introduced. My question to the Minister as Acting Leader of the Gov-

ernment in the Legislative Council is as follows: in the light of these facts and no action at all having been taken, does this mean that the Government is satisfied with the way the Act is operating and is satisfied that no members have breached the provisions of the Act?

The Hon. J.R. CORNWALL: That question is directed to the Attorney and the Attorney, of course, is absent on Government—

The Hon. K.T. Griffin: It's directed to you.

The Hon. J.R. CORNWALL: But clearly it is a matter, if you want direct answers to direct questions, of necessity, that will have to be referred to the Attorney-General. It is not an Act committed to me: I have 33 or 34 Acts committed to me at the last count, and that seems to me to be elegantly sufficient. I am able to cope, but only sometimes with great stress, so I am not about to ask that the Members of Parliament (Register of Interests) Act be committed to me. However, let me make some observations which are directly pertinent to the question.

The Hon. R.I. Lucas: We knew you could not resist.

The Hon. J.R. CORNWALL: It is a matter of very substantial public interest at the moment. I know a good deal about it. I know that it is intended to keep members of Parliament honest. I know that it did not exist until we brought it in as a Government. I know that there was absolutely no action taken by the Tonkin Government when the Hon. Mr Griffin was Attorney-General. Those are three facts that are well and truly on the record. As I said, it is a piece of legislation which was passed by both Houses of Parliament and which works quite well provided that members cooperate.

An honourable member: Be careful!

The Hon. J.R. CORNWALL: No, I know exactly where I stand in the matter. There is a lot of two-faced hypocrisy that this Opposition carries on with. The reality is of course that no member should go to that register and use it, Ms President, in some sort of political sense in this Chamber or in another place. However, when it is a matter of public record, when the member for Coles has been out and about in the community at large trumpeting her position with regard to the register of interests and how it might have affected her at that time, when the member for Victoria is out and about in the community stating publicly that he intends to buck the Members of Parliament (Register of Interests) Act, when this contemptible Opposition uses it to name people on our side of the Parliament and to try to impute some motive to them and to try to impugn them—

Members interjecting:

The Hon. J.R. CORNWALL: You did on a number of occasions, specifically I recall, the Minister of Housing (Hon. T.H. Hemmings). The Opposition tried to impugn in another place the Minister of Housing quite wrongly as it transpired. There were allegations concerning that Minister and the Opposition did not hesitate. It has done it with a number of our members over the years. The Opposition stands condemned in the matter.

The Hon. R.I. Lucas interjecting:

The Hon. J.R. CORNWALL: Didn't you take your medication at lunch time, son?

Members interjecting:

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: Didn't you take your medication? I just made the point that no member can properly go to that register of interests and come back into this Chamber or to the other Chamber and use information directly gained from that register of interests in either Chamber. However, where a member like the sanctimonious member for Coles is out and about in the countryside trumpeting her position, then anyone may use that information because it is public information. That is precisely what happened with the member for Victoria, who trumpeted his intentions to flout the law. He knew very well before he came in here what the law was with regard to the register of interests, yet he publicly flouted it. In the event that a member does that, of course, it is a different situation. No-one has tried to pervert or twist the register to unfair advantage on our side of Parliament at any time.

The Hon. R.I. Lucas: Bannon did.

The Hon. J.R. CORNWALL: That is not right.

Members interjecting:

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: The simple situation is that the Premier, like every other person in South Australia, knew of the position that was adopted by the member for Coles because she trumpeted it abroad, right around the community. It was a matter of public knowledge. One does not have to go within cooee of the register to know what the situation was.

Only the Opposition has tried to circumvent this legislation; only the Opposition has flaunted its contempt for the legislation; only the Opposition at any time has tried to get around the legislation; and only this Opposition has shown the contempt for the legislation which has created any difficulties. I repeat what I said before: in general terms the legislation has worked well to the extent that members have cooperated with its spirit and intent. There have been some difficulties where members of the Opposition have held it in contempt, have held it up for ridicule and have publicly boasted that they did not intend to comply with it. If we want honesty in politics in this State—on both sides of the Council—it is the Opposition, not the Government, that needs to get its house in order.

EDUCATIONAL DIRECTIONS

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister of Local Government, representing the Minister of Education, a question about educational directions.

Leave granted.

The Hon. M.J. ELLIOTT: An article in the *Advertiser* refers to some alterations to the supervision of subject areas in the Education Department. I have also been approached by teachers in the Education Department who are gravely concerned about what is happening. In a document entitled 'Our schools and their purposes' English has a high priority but it has been reduced to half a position, while the other half is to be filled in about a week's time by performing arts. Mathematics, science and technology have also been incorporated into just one SOS position, while multiculturalism is a single position; and a number of other low priorities in SOS have been allocated a full position.

The complaint from teachers was not that multiculturalism had been given a full position but that there had been such a cutback in English language and also maths, science and technology. The group of people who came to see me were interested in the English position and initially approached Mr Steinle. However, he said that because he was retiring it would be a good idea if they spoke with Jim Giles. They then spoke to Mr Giles, but he promptly announced the following day that he was retiring. It struck them as rather strange that Mr Steinle referred them to another person who was retiring, unless it happened very suddenly. In fact, they wondered what was happening in the top end of the Education Department.

Concern has also been expressed to me about the likely replacement for Mr Steinle, who has done quite a reasonable job as Director-General of Education. My attention was drawn to an advertisement placed in the *Australian* and also in the local press. It lists a number of requirements that the person must have to fill the position. The concern expressed was that under the terms of reference shown in the advertisement it is likely that the Education Department will be run primarily by administrators in similar fashion to the way that TAFE and the Children's Services Office are run by administrators (and I might add that it is done badly).

These people asked me why educational experience was not seen as a mandatory requirement and, once that had been established, all the other requirements would be necessary. First, will there be a reassessment of the reallocation of SOS positions? Secondly, when Mr Steinle is replaced will the department ensure that his replacement has detailed educational experience as a mandatory requirement and then, as I have said, all the other requirements can be fulfilled before the appointment is made?

The Hon. BARBARA WIESE: I will refer those questions to my colleague in another place and bring down a reply.

ROYAL ADELAIDE HOSPITAL

The Hon. T. CROTHERS: Can the Minister of Health advise the Council how far advanced the Government's plans are in respect to the proposed $14 million operating theatre complex at the Royal Adelaide Hospital?

The Hon. J.R. CORNWALL: I am able to give a general indication, but I am obviously unable to say at this stage precisely what is in the Government's capital works budget for 1988-89. However, I am pleased to be able to say that the sketch plans and design for the $14 million surgery complex at the RAH are well advanced. It is in the forward capital works program for 1988-89, subject to finance being available, and it is my intention that it be given a high priority. The timetable at the moment is that we will commence construction in 1988-89. However, that is, as I said, provided that we do not suffer some severe blows in the 1988-89 capital works program. We will be looking to complete that $14 million construction within the 1989-90 financial year. Of course, without going into the fine detail, that will make a significant improvement in the surgical work flow at the RAH, which is our biggest teaching hospital, and, as far as the Government is concerned, it is one of our highest priorities in the 1988-89 and 1989-90 financial years.

DONATIONS TO CHARITIES

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Minister of Community Welfare a question about donations to charities.

Leave granted.

The Hon. DIANA LAIDLAW: At the weekend several newspapers reported that the Federal Government is contemplating an end to the tax deductability of donations to charities as part of its mini-budget to be delivered on 25 May.

The Hon. R.I. Lucas interjecting:

The Hon. DIANA LAIDLAW: That is right. Perhaps they have changed their minds since Port Adelaide and other by-elections. One article stated:

> Scrapping the present concession for gifts of $2 or more would follow an example set by the New Zealand Government last December. Like New Zealand, the move would accompany tax reforms centred on a major cut in the company tax rate.

If implemented in Australia such a move would strike a severe blow to the future viability of a host of non-government welfare services in this State.

The Minister would be well aware that in South Australia we have the highest proportion of persons aged over 65 years, the highest proportion of pensioners and beneficiaries, and the highest proportion of children living in poverty. People in all these categories are heavily dependent on community services. However, in recent years DCW has progressively scaled back its traditional role of service provision. As a consequence, the non-government welfare sector is stretched to the limit and generally beyond its capacity not only in trying to make up the shortfall (following DCW's scaling back) but also in trying to cope with an unprecedented demand for services. Paid staff and volunteers—as I have no doubt the Minister is well aware—are being called upon to do more with less.

A large proportion of the budgets of many of our non-government welfare agencies depends upon the receipt of private donations. However, increasingly each and every one of them is finding it more difficult and more time-consuming to attract such donations from a community that is worried about meeting its own immediate budgetary needs. Does the Minister accept that the tax deductability of donations, first, represents the carrot that often persuades the general public to give more generously to non-government welfare agencies and, secondly, helps such agencies maintain services which the Government cannot and will not provide? Does the Minister believe that any move by the Federal Government to terminate tax deductability of donations will undermine the number, range and quality of services provided by the non-government sector, especially when such organisations face the prospect of reduced Government grants this year?

Finally, if the Minister agrees with one or all of these propositions, what action, if any, is he prepared to take to inform his Federal counterparts that such an initiative to end the tax deductibility of donations to charities is unacceptable to South Australians?

The Hon. J.R. CORNWALL: It would be foolish in the extreme for me to speculate on what may or may not be in the Federal Government's May economic statement. I do not intend to do so. However, let me make a number of observations. No-one in South Australia has referred more often to the high cost of small government than I have. In virtually every second speech that I have made in this State for something more than two years now, I have consistently referred to the high cost of small government and, in a sense, I guess, from now on it would not be inappropriate to refer to both the high social cost and the high political cost of small government.

On the other hand, no-one has more stridently supported small government than this Opposition. These are the original 'dries' who have suddenly become drenched. They have had as firm policy for very many years the cutback of Government services, the cutback of public services generally, whether they be provided—

Members interjecting:

The Hon. J.R. CORNWALL: Don't be two faced about the thing, Ms Laidlaw. Whether they be provided directly by the Government or because of the assistance, the funding of the non-government sector by Government with public money, no one has preached longer and more loudly than this Opposition that there should be less and less. I have consistently opposed that position, and I will continue to oppose that position. I am responsible for a very large area of human services delivery in this State and, as the Minister

of Health and Community Welfare, as I said, I will continue to talk to anyone who wants to listen about the high social cost of small government.

The Hon. Diana Laidlaw: What about the community giving to charity?

The Hon. J.R. CORNWALL: Stop interrupting: you're a very rude person! In terms of tax deductibility of donations, it depends: it depends a great deal on how that is done. I can remember very clearly, going back a good number of years to when one of my daughters was a Red Cross baby in Red Cross month in March.

An honourable member interjecting:

The Hon. J.R. CORNWALL: It was not: it was back in the 1960s, and I can remember very clearly what a rort that was for people who were better off than most. They used to organise charity dinners, and one paid £25, which was a lot of money in those days; one went to an enormous nosh up, had five courses, drank more than was good for a person and got about £20 worth of value. The charity got £5, and the Deputy Commissioner of Taxation was ripped off for £12.10.0. Really—

Members interjecting:

The Hon. J.R. CORNWALL: No, I haven't got it all muddled at all.

The Hon. K.T. Griffin: Then you defrauded the Tax Commissioner. It is tax deductibility of tips not tax deductibility of—

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: Members opposite know very well tax deductibility in some areas has been exploited over very many years. It depends on what sort of tax deductibility we are talking about as to how much—

Members interjecting:

The Hon. J.R. CORNWALL: You are very rude. Be quiet while I am answering your question.

Members interjecting:

The Hon. J.R. CORNWALL: And you are very dishonourable—very deceitful and dishonourable.

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: You, Mr Lucas, stand exposed forever.

Members interjecting:

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: You ought to hang your head in shame. You are not only now a traitor to the working class but you are also a deceitful, dishonourable member of this Chamber.

Members interjecting:

The PRESIDENT: Order!

The Hon. K.T. GRIFFIN: On a point of order, that is an injurious reflection on a member, and I ask that the honourable Minister withdraw and apologise.

The PRESIDENT: I ask the honourable Minister to withdraw.

The Hon. J.R. CORNWALL: Members all know the context in which that remark is made. We all know what Mr Lucas got up to last week, and he stands condemned for it.

The Hon. M.B. CAMERON: On a point of order—

Members interjecting:

The PRESIDENT: Order! I asked the honourable Minister to withdraw those unparliamentary remarks.

The Hon. R.I. Lucas: And apologise.

The PRESIDENT: Order! Order! And that applies to the Hon. Mr Lucas as well as everyone else.

The Hon. J.R. CORNWALL: He is like the school show-off. He is performing for the schoolchildren in the gallery. I am perfectly happy to withdraw and apologise. As I have said so many times, this is the only place in the State in which truth is no defence.

Members interjecting:

The PRESIDENT: Order!

Members interjecting:

The Hon. J.R. CORNWALL: Have you finished?

The Hon. M.B. Cameron: No. I'm perfectly happy to keep going—to show the public what you're like.

The PRESIDENT: Order!

The Hon. M.B. Cameron interjecting:

The PRESIDENT: Order! Order, Mr Cameron! Interjections will cease, and there will no longer be conversations across the Chamber. All comments are to be addressed to me.

The Hon. J.R. CORNWALL: As I was saying before the parrots so rudely and inappropriately interrupted, the question of tax deductibility for donations to charities has been under consideration. I cannot speculate, as I said, as to what might be in the May economic statement. If it is a genuine charity for which tax deductibility is sought, then I would have to say in general terms that, of course, I would support it. Many rorts went on in the matter of tax deductibility. As I explained, although they were tax deductible, let me assure you (and they were quite legitimately tax deductible), they were a rort on the system.

If members opposite are asking me to support that sort of thing, of course, I would not. However, if they are asking me about genuine *bona fide* tax deductibility for *bona fide* charities then, of course, in general principle I would support that and support it very strongly. As I said at the outset, before members opposite all started to cackle and scream in their own extraordinarily puerile way, the question of what may or may not be in the May economic statement is not a matter on which I would care to speculate; nor would I choose to speculate.

CEDUNA YOUTH PROBLEMS

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Minister of Community Welfare a question about youth problems in Ceduna.

Leave granted.

The PRESIDENT: I draw your attention to the fact that there is only about two minutes of Question Time left.

The Hon. CAROLYN PICKLES: I noticed in the *Advertiser* of 25 March an article appeared concerning problems with youth vandalism and street violence in Ceduna. I understand that the Director of Community Welfare recently visited the town in response to complaints from the local council regarding the problem and, whilst there, attended a meeting with local council representatives, police, schoolteachers and publicans. I believe that moves have been made towards finding solutions to the problem. Can the Minister advise what action his department has taken to consider effective ways of controlling this problem?

The Hon. J.R. CORNWALL: I would tell you in other circumstances, Ms President, but I fear that I have run out of time. I will be happy to take it further tomorrow.

SHOP TRADING HOURS ACT AMENDMENT BILL

Second reading.

The Hon. J.R. Cornwall, for the Hon. C.J. SUMNER (Attorney-General): I move:

That this Bill be now read a second time.

Ms President, much has occurred in the three months since the Government last attempted to bring this Bill before Parliament. Since then the various parties, for and against extended shop trading hours, have had their say over and over again, with the result being that the issue has become lost in a sea of misinformation and unnecessary complexity. Basically, what the Government has proposed through this legislation, and has achieved for the past three months by proclamation, is in fact very simple. We are offering the people of South Australia greater freedom of choice—choice for consumers to shop when they want to; choice for traders to service their customers at times that are convenient to both; and choice for traders not to trade on an extended basis if they so choose.

Ms President, the argument for freedom of choice could not be simpler. The Liberal Party, those champions of free enterprise, have it enshrined in their Party policy. Their Liberal conterparts in Western Australia, Victoria and New South Wales have supported deregulation of shopping hours in their respective States; even the Federal Leader of the Liberal Party has declared that he is an avowed deregulationist. I am sure they all must be as amazed, as are the vast majority of South Australians, at the stance that the Liberal Party in this State has adopted with regard to shop trading hours.

How can the people of South Australia be expected to trust a Leader of the Opposition who, despite forcefully arguing for total deregulation of shop trading hours before the 1977 Royal Commission, now adopts the position totally opposite to his stated policy purely and simply out of expediency?

The opponents of this Bill have virtually claimed that its implementation will see the end of civilisation as we know it and that prices will go through the roof. Similar claims were made when late night trading was introduced in this State and when extended Saturday trading was introduced in New South Wales in 1984. That those changes in shop trading hours had no discernible effect on the level of prices is now a matter of record. It has also been claimed that this Bill will result in the demise of small business in South Australia. Once again, the New South Wales experience has shown that to be unfounded.

The Small Business Corporation of South Australia was asked to look at this very question and, despite exhaustive research, it could find no evidenc to support the view that extended trading would adversely affect small retailers. Change is always perceived as threatening, and the Government understands the concerns of small business over this issue. However, there is no evidence to support their fears. The facts are that the factors of convenience and service provided by the small retailer will always be in demand.

The Liberals also say that Saturday afternoon trading should not be introduced until the Industrial Commission has ruled on the question of wages payable to workers in the industry for working the extended hours. This is a ludicrous position to hold, and the Industrial Commission has clearly stated that it would be pointless to make a decision on a hypothetical situation. As a result, the commission has white properly adjourned indefinitely any further hearing on the wages question until Parliament has made a decision on Saturday afternoon trading.

If this Bill is rejected it will make South Australia the laughing stock of the country. Rejection of this Bill would imply that traders and consumers were not intelligent enough to organise their own affairs and that they must be protected from the forces of supply and demand as they operated in a free market. Rejection of this Bill would also mean that we would not be able to offer tourists the services which they can readily expect in most other States of Australia and overseas.

Recently, the world's most luxurious oceanliner the *QEII* spent a day in Adelaide. As luck would have it, that day was a Saturday. Fortunately for many traders in Adelaide, it was one of the Saturdays the Government had proclaimed for extended trading. If the Liberals had their way one could imagine the ridiculous scenario should that situation arise again. We would have bus loads of wealthy tourists, wallets bulging, anxious to spend their money in Adelaide, only to find that they could not do so—simply because some members of Parliament had taken such an obstructionist stand.

The groups who are most vociferous in their objection to the extension of Saturday trading are the people who, in the main, can already trade whenever they desire, and indeed the majority of them do trade seven says a week. Clearly, then, it is the height of hyprocrisy for these people to demand that we do not give everyone the same Saturday afternoon trading opportunity that they enjoy.

Unfortunately, if this Bill is defeated the main casualties will be the consumers. The benefits to consumers of Saturday afternoon trading are beyond dispute. For those family units where both spouses work, extended trading hours give them greater opportunity to shop around for the best price and gives them more time to consider the purchase of major capital items.

There is no doubt that on the issue of Saturday afternoon trading the consumers are voting with their feet. In Adelaide alone more than one million people have shopped on Saturday afternoons during the short time that extended trading has been available to them.

Contrary to the predictions of disaster and failure, Saturday afternoon trading has been operating successfully in a manner consistent with Government expectations: that is, demand has determined whether or not individual stores would avail themselves of the opportunity to open on Saturday afternoon. As anticipated, some stores have decided not to trade on Saturday afternoons, while on the other hand those stores that have chosen to open have obviously found a huge demand for the service offered and, understandably, they are demanding their right to continue to provide that service to their customers.

For its part, the Government obviously believes that the practice should continue. The Government believes that it shold be left to the consumer and the shopkeeper to decide when the shops should open. It could also be said the current shop trading hours laws are a restraint of trade and that as such they are contrary to the spirit of the Federal Trade Practices Act. We can no longer afford such laws. This Bill is about freedom of choice; it is about customer convenience; it is about breaking down unfair restraints on trade; and it is about boosting jobs and tourism. The Government and the people of South Australia believe that it is about time this law was changed.

The Government wishes to make quite clear that if this Bill fails it will be the end of Saturday afternoon trading. The Government is not prepared to continue Saturday afternoon trading by proclamation, and the Government will not consider the issuing of individual permits of exemption on a mass scale.

If that is the case, it would be pointless for anyone to make representations to the Government without the agreement of Mr Olsen and the Liberal Party, which commands the majority in the Legislative Council and which will determine whether Saturday afternoon trading will be permitted again in South Australia. I commend the Bill to the Council.

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

ADOPTION BILL

The Hon. J.R. CORNWALL (Minister of Health): I move:

That the time for bringing up the report of the select committee on the Bill be extended until 7 April 1988.

Motion carried.

ELECTRICITY TRUST OF SOUTH AUSTRALIA ACT AMENDMENT BILL

Second reading.

The Hon. BARBARA WIESE (Minister of Tourism): I move:

That this Bill be now read a second time.

Members would be aware that some of the fires which occurred on or about Ash Wednesday 1983 have been attributed to the Electricity Trust. A variety of possible causes have been identified, including clashing wires, limbs, touching wires and wires being brought down by falling trees or flying debris. Although the trust has adopted a policy since 1983 of cutting off electricity in extreme bushfire conditions, such as those that occurred on Ash Wednesday, it is proposed to formalise this policy in the legislation. The disconnection of power is the only reasonable response to the danger inherent in the provision of electricity in extreme bushfire conditions and will be carried out in consultation with the CFS.

The Bill also provides for the occupier of land to be responsible for clearance of vegetation that has been planted or nurtured by a person under or around a line serving their property alone. All other vegetation clearance will be the trust's statutory duty. Where the occupier fails to establish and maintain this clearance the trust may, after giving 60 days notice, enter the property and carry out the necessary vegetation clearance. The notice will specify the scope of work and will provide the occupier time to arrange to have the work done by a contractor of their choosing, or to challenge the need for the work to be done at all.

In this regard, the regulations will provide for the setting up of small Vegetation Clearance Consultative Committees to resolve any disputes. The committees will comprise representatives of ETSA, the Department of Environment and Planning, the Local Government Association, the Country Fire Services, and the United Farmers and Stockowners. The principles to be adopted for vegetation clearance will be made with the concurrence of the Minister for Environment and Planning, and will be no more stringent than ETSA's current clearance procedures. These safeguards—plus the creation of a disputes settling mechanism—will ensure that any clearance is carried out in a cooperative not punitive manner.

As the trust is responsible for all clearance from public lines, it is proposed that in future persons should not be able to plant or nurture vegetation under public lines contrary to the principles of vegetation clearance. Such planting or nurturing will not be an offence. However, the trust will have the power to remove such vegetation, and to recover the cost of its removal from the person who planted or nurtured it. The trust will therefore be responsible for the clearance of naturally occurring vegetation under or around all lines.

The majority of lines built in rural areas during the 1950s and 1960s were constructed by agreement between ETSA and the then existing landowners, who were eager for supply. Some of these lines have no formal licences or easements granted. However, due to the effluxion of time, these lines are accepted as a part of the electricity distribution system. The Bill will remedy this situation by establishing formal easements for all lines at the date of proclamation.

As mentioned previously some of the Ash Wednesday 1983 bushfires have been attributed to ETSA. The Bill aims to ensure that the trust is not only able to protect itself from future liability for damage caused by bushfires on days of extreme fire danger but that the State is protected from the danger inherent in operating the electricity supply in bushfire prone areas at reasonable costs to electricity consumers.

The limitation of liability will only apply to bushfires that are of electrical origin and be limited to those days of extreme fire danger—the days on which, if a bushfire starts, little if anything could be done to restrict its spread. The determination of days of extreme fire danger will rest with the CFS. The trust will, however, remain responsible for any damage caused to the property on which it is proved that ETSA, through its negligence, first started a fire by way of its distribution system. The trust will not be liable for any damage to other properties caused by the spread of such a fire.

The trust has been taking steps since Ash Wednesday to improve the safety of its operations, improvements which will be further boosted by the recently announced five year program of installing aerial bundled cable and covered conductor cables in high bushfire risk areas. The limitation of liability will only apply for this five year period.

By applying the sunset clause to the Bill, the trust is being given an achievable performance target—a period of five years within which to so reduce the risk of a fire starting from its operations that it will no longer need this legislative protection. I would point out that the concept of limited liability already exists in several Government instrumentalities.

Under the Telecommunications Act 1975, section 101, Telecom is not liable for any loss or damage suffered by a person, even if this is due to Telecom's negligence. Further, to give some South Australian examples, under section 29 (1) of the Highways Act 1926 the Highways Department is exempted from liability, provided it acted in good faith. Under section 63 of the Country Fires Act 1963, the CFS is exempted from liability, provided it acted in good faith and without negligence. Members will also be aware that, under section 35 *(a)* of the Wrongs Act 1936-1986, there is now a $60 000 limit on the compensation that can be paid for pain and suffering as a result of a motor vehicle accident. The Bill has been the subject of a select committee in another place and this report reflects the changes proposed by the committee. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clauses 1 and 2 are formal.

Clause 3 inserts a number of definitions for the purposes of these amendments.

Clause 4 inserts a new subsection in section 16 of the principal Act. This provides that the value of equipment for the generation, distribution or supply of electricity will not be taken into account for the purpose of local government rating.

Clause 5 repeals sections 36 to 42 inclusive of the principal Act and inserts new provisions.

The new section 36 (1) empowers the trust to generate, transmit and supply electricity within and beyond the State. The trust is further empowered to do a range of other activities incidental or ancillary to this purpose.

Section 37 requires the trust to maintain the electricity supply through the distribution system but permits the trust to disconnect the supply of electricity to any region or premises in specified circumstances concerning the safety of persons, the protection of property or the maintenance or repair of the distribution system of electricity. Where there is danger of bushfire, consultation with the Country Fire Services Board is required.

New section 38 deals with the standards in accordance with which the distribution system must be constructed and maintained.

New section 39 imposes a duty on the trust to take reasonable steps necessary to keep public lines clear of vegetation and private lines clear of naturally occurring vegetation. The section further imposes a duty on the occupier of private land to take reasonable steps necessary to keep private lines on their land clear of vegetation (other than naturally occurring vegetation). These duties are to be carried out in accordance with principles of vegetation clearance which will be promulgated by regulation.

Provision is also made to enable a person duly authorised by the trust to enter land to inspect private and public lines. An authorised person may carry out any work that the trust is required to do, in order to discharge its duty under this section, any work that the occupier of the land should have done, but has failed to do, in the discharge of a duty under this section, or any work that the occupier has requested the trust to carry out on his or her behalf.

A further provision is made empowering the trust to remove vegetation planted or nurtured in proximity to a public supply line contrary to the principles of vegetation clearance.

New section 40 sets out the purposes of the new statutory easements proposed in Division III.

New section 40a creates a statutory easement in relation to those parts of the distribution system that exist on land that does not belong to the trust. This easement is displaced, to the extent of any inconsistency, by any actual easement or other relevant instrument.

New section 41 provides immunity for the trust from civil liability arising from either property damage, or loss consequential on property damage, which is caused by a bushfire of electrical origin, by operations taken to extinguish such a fire, or in some other way related to the occurrence of such a fire. The immunity will only apply if conditions of extreme fire danger exist in the region in which the fire originates when the fire commences. The section will not exclude a liability that arises from the explicit terms of a written contract nor will it exclude liability for damage to property on the land on which the fire originated. Unless Parliament subsequently decides to extend the period of the immunity, it will expire after five years.

New section 42 provides immunity for the trust from civil liability in consequence of the trust disconnecting electricity to any region or premises, or from a failure in the supply of electricity.

Clause 6 provides that section 43 of the principal Act is repealed. The contents of this section are now to be incorporated in section 36.

Clause 7 inserts a new section 44 dealing with the making of regulations. Power is given to the Governor to make regulations with respect to the positioning of public or private lines and associated electrical equipment; restricting or prohibiting the erection of buildings or structures in proximity to public or private lines; the clearance of vegetation from public or private lines (which can only be made with the concurrence of the Minister for the Environment) and penalties for breach of or non-compliance with a regulation.

The schedule contains a number of statute law revision amendments.

The Hon. L.H. DAVIS secured the adjournment of the debate.

TOBACCO PRODUCTS CONTROL ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 23 March. Page 3404.)

The Hon. J.C. IRWIN: I have to start with a declaration of interest. A member of my family holds shares in a company called Amatil, I am a member of the Onkaparinga Racing Club, the Murray Bridge Racing Club and the South Australian Cricket Association—

The Hon. R.I. Lucas: And you smoke.

The Hon. J.C. IRWIN: I will say that later. I am a Friend of the South Australian Art Gallery. I believe that all those bodies are in one way or another affected by this Bill. I understand that that declaration is as far as I need go under the requirements of the legislation. However, a number of other areas may be covered by the Bill in regard to which an interest should be declared. The area of tobacco is obvious, so is advertising, but the other areas are not so obvious. To be safe, I declare that members of my family hold shares in investment companies such as Argo, Australian Foundation, and in banks, and have life insurance policies with the AMP Society, all of which undoubtedly have in their extensive portfolios shares in companies that make, produce or promote tobacco products, or own shares in advertising companies.

I have not sought to hide these facts from members of this Parliament or the public by setting up a company designed to keep these facts from the public. I believe in proper scrutiny and the accountability of public figures. I will be interested to observe what other members in this Council have to do in regard to declaring their interests, even if it is only as a member of a sporting body that will benefit under this Bill. I do not suppose that the Minister of Health is a member of a sporting body, but the Premier is No. 1 ticket holder for the North Adelaide Football Club, and I expect that Cabinet has already discussed that point. I might add that in local government the provisions are far stricter than in this place regarding declaration of interest: if a local councillor has an interest, he or she stands, declares the interest, has it recorded and then leaves the room. Of course, the Minister Mayes incident highlights the contempt that senior people have for proper practices. Unfortunately, arrogant disregard for proper practices is a fine art in the Federal arena and is exhibited from the Prime Minister down; it does not help lift the standing of MPs in the eyes of the public and most certainly does not set an example which the community can follow and with which people can feel comfortable.

My resources have not allowed extensive research into the secondary matter of shares held once removed from the primary declaration I must make. However, I have ascertained that the State Bank and the South Australian Superannuation Trust do not have shares in the so-called tobacco companies, and may I say that that is to their credit in light

of the Government's determination on this Bill. However, it is a fair bet that they would have an indirect interest in and profit from shares held in companies that derive income from tobacco products.

Before concluding my declaration, I should declare that I smoke. At least once a year someone finds a new bad habit for me to give up or a looming catastrophe for me to worry about. In the past few years I have been told that I will die young because I am ingesting too much salt, sugar, saccharine, cholesterol, caffeine, steak, tinned food (especially baby food), commercially prepared junk food, eggs, vegetables sprayed with chemicals (weedicides, fungicides and insecticides), fish with high mercury levels, monosodium glutomate (which we talked about at lunch today), and alcohol, and too little fibre. I will also die young because I am breathing too much tobacco smoke, lead from leaded petrol, aluminium, dust, sulphur dioxide and hydrogen sulphide, furnace smoke from coal burning and motor car exhaust fumes.

I am told to get more exercise but not in the sun (and not using my mouth—but I have to use it in this instance) and to drive in a more satisfactory manner. Radiation from visual display units and a glass of wine or flying in an aeroplane will surely kill me if the asbestos in the ceiling does not. I am being threatened by electromagnetic and atomic radiation, an energy crisis, depletion of non-renewable resource, destruction of the environment and holes in the ozone layer. No sensible person could believe all that if only because the anti this and the anti that cult has identified so many ways of dying that we should all have died more than once by now and because doomsday has had such a poor record so far.

I say these things not to trivialise or denigrate the debate but rather because the single factors I have mentioned, leaving out many others, will singularly or in combination bring about my death or indeed the deaths of all of us here. I will refrain in this debate from any sort of in-depth contribution regarding an analysis of the gigantic hypocrisies exhibited in this piece of legislation, nor will I spend too much time on the body that will raise and spend trust funds for the so-called benefit of sporting and arts bodies. Most of those arguments have already been put; other members will put further arguments and will adequately cover this area. The people are well able to make up their own minds regarding this Government's real aims. In the last two Federal by-elections, the people of Adelaide and Port Adelaide were able to make this decision and give the Government some idea of what they thought. They gave that in a Federal message as well as a State message which includes, I put it to the Council, tobacco legislation. My real sorrow is that the multiple hypocrisies and the arguments about the trust and its funding and spending have almost completely hidden and blurred the health arguments.

The *Advertiser* poll of today was interesting, and it shows that more than 52 per cent of South Australians now oppose this legislation. This Parliament, or at least this Council, forgetting Party lines for a moment, should be able to distill the issues and debate them properly. For this exercise we are fortunate to have the Bill introduced by the Minister of Health. As Minister, the Hon. Dr Cornwall should speak up and put up sustainable arguments on behalf of the health industry.

As a member of this Council and a lay person in medical terms I should be furnished with evidence on which I can make an honest assessment to support or reject the legislation now proposed. I should also make myself aware of the public arguments and lobbies that are blazing away outside this place. I should make myself aware of the medical lobby which has a responsibility to advise members. It has done that to a degree and I appreciate that advice. However, I should note that the peak bodies representing medical practitioners and specialists have not made representations to me directly. They may have made representation to others, but not to me directly, and I am afraid that I do not know what to read into that.

I acknowledge that the Anti Cancer Foundation's lengthy presentations in the form of bulletins have given advice to us as members, but I do not know whether it has been given the power to speak on behalf of the whole medical profession. Nevertheless, I take very seriously the expert advice that they have sought to give me. Having said that, I separate out in my mind two distinct functions of the legislation. One obviously is health and the second is the substitution by the administration of a levy on cigarettes to sporting and arts bodies and the promotion of good health lifestyles decided by this Government.

I wish to deal with them separately as far as I can. In regard to health, I admit to being baffled by the advice that I am receiving. I look to the Minister's second reading speech for guidance, and the Council should bear in mind that one of the greatest certainties of this world is that our life will end in death. When and how are, of course, the great uncertainties. The Minister keeps hurling across the Chamber at times the statement that smoking is killing our kids. There is not one scrap of evidence given by him to support that. No evidence is produced by anyone to me to support that either. Contributing to their eventual deaths, yes; that is, other than being killed, but not causing their deaths as teenagers. In his second reading explanation the Minister starts off by stating:

> Every year 23 000 Australians die prematurely as a result of tobacco related diseases.

This is 20 per cent of all deaths in Australia in 1986, but I am given no idea about the age range of premature deaths in total. The Minister further states:

> According to Professor McMichael, Head of the Department of Community Medicine, University of Adelaide, approximately 21 per cent of deaths among voting age people in South Australia are attributed to smoking related illnesses.

This 21 per cent figure is roughly the same as the premature death figure for Australia. Am I to take it that Professor McMichael's figure is premature deaths? I suggest that there is a conflict of terminology that could confuse everyone as well as me. What does the Minister mean by 'premature'? Does it mean kids or 20-25 year-olds? I think not because no evidence has been presented, as I said before, that this would be so.

Does he mean before the smoker reaches the average life expectancy ages for males and females? The South Australian 21 per cent, according to Professor McMichael, is perhaps an interesting figure, but so what? What does it tell us? We all have to die some time. What happened to the other 79 per cent or 8 159 deaths in South Australia in 1986? Nowhere in the Anti Cancer Foundation's advice or from anyone else can I find any evidence to convince me that people who smoke are not living as long in every age group as those who do not.

It is all well and good to go on producing figures about how people die, but they do not mean anything to me unless they are directly related to other identifiable factors. For instance, the Minister quotes Professor McMichael again, as follows:

> In South Australia the most recent figure shows a death toll of approximately 4 300 in the past two years from smoke related illnesses.

So what, because 8 159 died of something else. Incidentally, the pamphlet put out by the foundation—

The Hon. J.R. Cornwall interjecting:

The Hon. J.C. IRWIN: I will come to that. The Anti Cancer Foundation's pamphlet 'A Study of Deaths Due to Smoking in Your Electorate' is interesting and emotive, but in cold analysis means nothing at all to me.

The Hon. J.R. Cornwall: You're not too bright.

The Hon. J.C. IRWIN: The Minister will have time when he speaks later to explain this and other matters. My attention to the sorts of arguments that I am putting was first drawn last December by an article in the *Australian* 'Warning: the intervention of Nanny State is a health hazard'. The article written by John Hyde, Executive Director of the Australian Institute of Public Policy, and I indicate so as not to avoid the issue, a former Liberal Western Australian member of Federal Parliament now heading up a think tank in that State, and I quote from that article as follows:

For years I believed what I was told: namely, that smoking shortened life span. But I became increasingly puzzled by the want of hard data about the simple matter, I have found some.

Dr Ray Johnstone (University of Western Australia, Department of Physiology) has summarised the major experimental and clinical literature. The overwhelming evidence of a huge sample is that smokers live as long as anybody else.

The Hon. J.R. Cornwall: Who said that?

The Hon. J.C. IRWIN: Dr Ray Johnstone. The article continues:

What is more it is not just smoking which is not going to kill me. He cites a Multi Risk Factor Intervention Trial in which half of 12 886 men, judged to be at risk of coronary heart disease, were counselled to improve their diet, stop smoking and exercise more.

The mortality rate of those who improved their lifestyle was 41.2 deaths per thousand compared with 40.4 deaths per thousand among those who did not. The huge study took 10 years and cost $115 million.

Dr Johnstone surveyed nine studies which together cost about $1 000 million.

This is his conclusion: public health campaigns to improve lifestyle produce no beneficial effects on health and should be discontinued.

The Hon. T.G. Roberts: What's on the back of that page?

The Hon. J.C. IRWIN: I had not bothered to look at that. We could go on taking part in that exercise for many years, I hope. I sent this article to the Anti Cancer Foundation and, to be fair, I now refer to advice that I received from Professor Vernon-Roberts on 22 March, as follows:

While no significant difference between the two groups occurred in mortality from coronary heart disease during an average follow-up period of seven years, both groups showed a substantial lowering of mortality than anticipated. However, while reported smoking cessation and reduction in other risk factors was very successful in the special intervention group, sizable reductions in the risk factors (including smoking) also occurred in the usual health care group. It is clear, therefore, that the investigators had underestimated both the risk factor changes due purely to involvement in the study, and the quality of normal health care. These unexpectedly but effectively minimised the differences between the two groups of men in the study.

Importantly, the authors concluded that their findings showed that 'men who stopped cigarette smoking had lower coronary heart disease and total mortality than those who continued to smoke'. These findings are consistent with the large body of scientific evidence which supports the conclusion that cigarette smokers who reduce the amount of smoking or give it up entirely have improved life expectancy.

There is no sound scientific evidence to support the conclusion attributed in the press article to Dr Johnstone that public health campaigns to improve lifestyle produce no beneficial effects on health and life expectancy and should be discontinued. On the contrary, the reverse is true, and the beneficial effects of smoking cessation are very clearly supported by the multiple risk factor intervention trial which he cites.

To be fair, I had put that letter from Professor Vernon-Roberts on the record, but I return to the theme developed by Dr Johnstone, and I quote from him further in an article 'In Pursuit of Ill Health' presented in 1982, when he said:

Hippocrates, the father of medicine, left us perhaps his most helpful advice: 'A wise man ought to realise that health is his most valuable possession and learn how to treat his illnesses by his own judgment'. But Hippocrates here (and in many other places) emphasises two points which today are not simply ignored but rejected in spite of their evident soundness.

The first is that each of us is an individual with an individual's different needs. The second is that it is illness, whether immediate or incipient, which should be our concern, not the possible cause of our distant and uncertain death. Today the search for immortality has taken a new twist: although people ostensibly look for good health and long life they in fact often search out and nurture ill health. Consider the bizarre story of breast cancer.

It is assumed by many that breast cancer if detected early either can be cured or at least has a greater chance of being cured. This is not so. Five years after diagnosis, half of all patients are dead as a result of their disease and this is so regardless of the treatment they receive—surgery, radiotherapy, or both.

The Hon. J.R. Cornwall: What does it say about mammography screening? You would know all about that—

The Hon. J.C. IRWIN: That is not covered.

The Hon. J.R. Cornwall: What you are saying is a nonsense.

The Hon. J.C. IRWIN: I have told you whom I am quoting. If you want to dispute what he says, you can have a public row with him. The article continues:

That such drastically different therapies should produce the same result leads to the suspicion that the treatment is ineffectual. Cardiovascular disease is the principal cause of adult death in the Western world. For this reason it has attracted considerable attention. Many causes have been postulated including excessive dietary cholesterol, smoking, insufficient physical stress, excessive emotional stress, and many others. Of these, dietary cholesterol has perhaps received the most attention.

A connection between cholesterol in the diet and cardiovascular disease is not implausible. The arterial lesions associated with the disease contain cholesterol. People with a high plasma cholesterol do indeed die more frequently from heart disease. But, as pointed out in an earlier article (J.R. Johnstone: the Myth of Immortality, *The Australian Surgeon*, June 1981) there is a corresponding reduction in mortality for other diseases so that total mortality is about the same. Indeed, more recent evidence suggests that people with high cholesterol levels live longer than those with low.

A study of 11 000 Yugoslav men (*American Journal of Epidemiology*, Vol. 114, 1981) has shown that the higher plasma cholesterol is, the lower the mortality—the converse of accepted dogma. The exhortation heard over 20 years, to eat less milk, butter and eggs, may turn out to be not merely pointless, but, if anything, injurious.

Dr Johnstone went on to discuss in the same vein malignant melanoma. He mentioned his paper 'The Myth of Immortality', which states:

In earlier times mortality was regarded as part of the human condition but today it is considered almost a consequence of imprudent diet or way of life generally. An examination of the literature shows the case against these modern scourges to be utterly unconvincing. Burch, Mann, Pickering, Seltzer, and Szasz are some of the authors who have emphasised errors in what might be called the 'ill-health theory of mortality'. It is perhaps worth summarising some of their arguments.

In relation to smoking it states:

Tobacco has long been suspected as a cause of disease but widespread, authoritative condemnation of smoking only followed the studies of Doll and Hill. Their early conclusions were circumspect, and rightly so. They studied a population which was self-selected at three successive levels. A subset of the British population (doctors) were asked to take part in a long-term experiment. Those who agreed comprised a second subset. These subdivided at a third level into doctors who decided to give up smoking and those who didn't. Doll and Hill compared mortalities in smokers and ex-smokers with non-smokers. The results of such a study could only be at best interesting and suggestive, and at worst, grossly misleading. Burch presented the opposing case at a recent meeting of the Royal Statistical Society. Judged by the discussion which followed, the case against smoking was found to be unproved. Some of the main points are:

1. Inhalers have a lower incidence of lung cancer than non-inhalers.
2. There is little correlation between tobacco consumed per capita in different countries and the incidence of lung cancer.
3. Women started smoking about 30 years after men. The maximum increase in the incidence of lung cancer occurred at about the same time (1930-35) for both men and women, contrary to popular opinion.
4. Mean age for diagnosis of lung cancer is 57 regardless of the quantity of tobacco consumed by the individual.
5. Smokers are much more likely to be diagnosed incorrectly as suffering from lung cancer than non-smokers so that the statistics linking smoking and cancer are inflated.
6. The British death rate from lung cancer is twice the Australian but approaches the Australian value in British immigrants who have spent most of their lives in Australia.

A study similar to that of Doll and Hill but in which the decision to give up smoking or continue was made by the experimenter rather than the subject showed no difference in mortality between smokers and ex-smokers. It concluded: 'Disappointingly, we find no evidence at all of any reduction in total mortality.'

Again, to be fair, Dr Johnstone speaks of opiates and says:

The average man swallows hard and reaches for a stiff whisky at the mention of heroin. Yet the evidence shows that opiates are relatively harmless and not particularly addictive.

I refer now to an article published in a Western Australian newspaper, and it refers to a Mr Mike Daube who is with the Western Australian Health Department. The article states:

A paper soon to be published by Dr Ray Johnstone, of UWA's department of physiology, claims an analysis of nine studies shows public health campaigns aimed at improving lifestyle are a waste of money. But the executive director of health promotion and education services in Western Australia, Mr Mike Daube, said there was overwhelming evidence against the claims.

He said Dr Johnstone's comments were irresponsible and misleading. 'There are more than 30 000 scientific studies demonstrating the harmful health consequences of smoking,' he said. 'Mr Johnstone, who is not a medical practitioner or an epidemiologist, has apparently looked at nine studies of intervention programs.' Mr Daube said Dr Johnstone's claims were wrong and had failed to convince the scientific community.

That article was answered by Dr Johnstone as follows:

Mike Daube disputes my claim that giving up smoking does not increase life expectancy. The accepted test for such a claim is the scientifically controlled trial—take a group of smokers and encourage and counsel them to give up smoking. After some years compare them with a similar group of smokers who have not been so counselled and determine whether the counselled group has a significantly lower death rate. If Mr Daube can produce just one such published trial, from the 30 000 studies he quotes, which supports his argument, I will donate $100 to the 'Quit' Campaign.

I turn now to one other piece of information relating to cause of death statistics and various ages which I find very interesting in the light of the small number of statistics produced by the Minister of Health in his second reading explanation.

In 1984 in the Senate, Senator Peter Rae asked the Minister representing the Minister for Health (who replied to the question) two questions. The first question was:

What was the average age of persons who died in Australia in 1980 from *(a)* respiratory cancers; *(b)* ischaemic heart disease; and *(c)* all other causes according to the Australian Bureau of Statistics measurements and classifications?

The reply indicated that in relation to the average age of persons who died in Australia in 1980 from respiratory cancers it was 67.3 years; from ischaemic heart disease it was 70.7 years; and from all other causes, according to the Australian Bureau of Statistics, it was 66.2 years. The second part of the question asked for information as to the average age of people who died between the ages of 35 and 64 in 1980 in those same three categories.

For category A, respiratory cancers, the average age was 56.6 years; for category B, ischaemic heart disease, the average was 55.1 years; and from all other causes, the average was 54.6 years, the Federal Health Minister in 1984 (Dr Blewett) finished off in the written part of the answer, as follows:

Spokesmen from the tobacco industry who recently used statistics such as those given above in claims of deaths from diseases caused by smoking are not premature. Such deaths are premature—not in the sense that they are concentrated at young ages but in the sense that they occur in individuals who would otherwise have lived longer.

That, of course, is a very debatable point. In fact, I find that postscript to the answer to be not sufficiently conclusive or fulfilling for me to help me decide how that analysis of the questions and answers should be answered. And, who is to say that those dying from 'all other causes', the worst group of the lot, would not have lived longer had it not been for some factors within their lifestyles?

I think that it would be useful to contemplate for a moment the post-Vietnam studies in Australia and in the USA regarding the cancer causing effects of Agent Orange. If my memory is correct, a number of very extensive studies were initiated because, on returning from Vietnam, soldiers who may have come into contact with Agent Orange were dying of cancer. It was not unusual or unexpected that they should seek confirmation and compensation for their illness if that were true. Again, from memory, and put simply, the findings of the various studies were nearly all the same; that is, that of the known numbers who were in Vietnam, the percentage of soldiers dying from cancer was very nearly exactly the same as those who would have died in civilian life, anyway.

The Agent Orange studies, although not directly related to tobacco, do have a relevance to the argument put by Dr Johnstone. I leave those arguments that I have put about lifestyle and life expectancy for the Minister and others to contemplate. I have certainly tried to come to grips with them myself, and I have put them on the record. The research that I have done has helped me try to find my way through the complications of what has been put to us by the Minister in regard to the need for this sort of legislation.

I have not been convinced by the Minister of Health in this place or the argument that he put forward in his fairly short second reading explanation. I hope that the Minister will in his summary speech present this Council with convincing statistical and analytical arguments and evidence to support his emotion provoking statistics. If he does not or cannot do so, I will have to assume that there are none—

The Hon. J.R. Cornwall interjecting:

The Hon. J.C. IRWIN: Well, I am a troglodyte, too. It is pretty hard to have caves on a flat earth—and that more of this legislation is indeed a giant stride towards South Australia as a nanny State. I must say here and now that one other aspect of this legislation supporting the argument leaves me baffled, that is, the question of advertising. The Minister is trying to tell me, this Council and the people of South Australia that advertising in all its forms is causing young people to smoke. It certainly did not induce me to smoke when I was 19, and young people whom I ask cannot give me any confirmation that the ads which they see on television or in the paper are inducing them to smoke.

Again, the Minister of Health's second reading explanation makes no effort to present any sort of supporting argument, facts, figures or statistics to justify support for this Clayton's ban on advertising, as outlined in this Bill. The Minister is trying to tell me that smoking is bad; and that advertising particularly aimed at teenagers is also bad. The legislation that he has introduced will therefore ban (or, as we know, sort of ban) advertising. That is fair enough: I can perhaps accept that at face value. After all, the Minister is the very top health spokesman in this State.

He and his mighty Health Commission, with all its expertise and access to data, must know what is best for us. But, then he blows it by referring to what will eventually be a great list of exemptions.

The argument for exemptions is not just about not being able to shut off overseas and interstate ads coming in from television, films or whatever. It is about the Government trying to have the best of both worlds or a bob each way. 'Advertising is bad for us: it recruits young people to smoking,' the Minister says in one breath. In the next breath he says, however, it is not bad, and it does not recruit young people to smoking if it is in a newspaper, at the Grand Prix, at international rules basketball, at the test cricket, shield cricket, on television from sporting events beamed to South Australia on ordinary TV or on Sky Channel, at the races, at the trotting or maybe at cultural events. So, the list goes on and on.

I have never heard such drivel, such cynical and hypocritical nonsense in all my life. How can this Minister—backed by his so far mute back bench—expect clear thinking people to accept this aspect of the legislation? On the one hand, advertising is bad; on the other, exactly the same advertising is not bad. The Confederation of Motor Sports has had the courage to come out and sum it up pretty well. I quote briefly from its letter which all members have received and to which some have referred already. It states:

> Despite this overwhelming impact on the community, an impact which makes the event one of the greatest advertising media of all times, the Act seeks to exempt the event from its provisions. Mr Premier, how do you explain this inconsistency? If the objects of the Bill are to be taken seriously, then this legislation exemption reeks of hypocrisy. To us it is embarrassing and frustrating: embarrassing that a motor sport event should be specifically exempt when no other sport has had that distinction, and frustrating because it is the only motor sport actively so treated.

The very argument that the Minister and others continually use to promote the Grand Prix, that it is a very significant international event, destroys his credibility. If the rest of the world does not ban this form of tobacco advertising, why in heaven's name are we so out of step with the rest of the world that we seek to do it and half-ban it ourselves? Further, why can we not ask the exempt sports to provide a levy to support this silly Sport and Cultural Trust? After all, the Government did make an effort during and after the last Grand Prix to soften the impact of the undoubted rise in the number of accident victims, including deaths, which have become part of the proven statistics of Grand Prix races in South Australia. There was extensive TV advertising using Grand Prix drivers to implore road users to be reasonable. I put it that someone had to pay for that: I am not sure who that was. Where is the evidence to convince me that this advertising is the big bogeyman or, in modern language, the big bogeyperson? The Government has not provided me with any, except for a few passages from the Minister's second reading explanation, such as:

> . . . recruiting people in a life threatening habit on the basis of spurious links to social success and sophistication is objectionable.

I find it spurious and objectionable that the Government cannot back with facts anything that it is saying. The Anti Cancer Foundation had a go at it in *Tobacco Bulletin No. 8*, but it only tells us that South Australians aged between 12 and 17 smoked or preferred Escort. I suppose that is because of the Escort football competition, or whatever else it sponsors in this State. Perhaps there is more sponsorship from Escort in this State than there is in the sporting arena in other States. That is all that that bulletin told me. That does not tell me anything about the link between advertising and deciding to smoke.

The only evidence of any kind which I have seen and which looks specifically at why juveniles start smoking is the submission we have all received, namely, the study conducted by the Children's Research Unit of London and published by the International Advertising Association—and, yes, the study was funded by the tobacco industry. So what? Our Sport and Cultural Trust will also be sponsored and funded by tobacco money. The major findings of that survey were: first, that tobacco advertising does not significantly influence the smoking initiation process as far as children and young people are concerned; and, secondly, that a combination of personal, family and social factors are the predominant reason accounting for smoking initiation by juveniles. These patterns persist despite the presence or absence of tobacco advertising.

Thirdly, advertising was consistently found to be irrelevant not only to the smoking initiation process by juveniles but also regarding juvenile smoking incidence. Fourthly, Hong Kong and Argentina, which have relatively few restrictions on tobacco advertising, have a high proportion of children who have never smoked. Fifthly, the incidence of regular smoking amongst 15-year-olds was highest in Norway (36 per cent), a country with a total tobacco advertising ban.

The Hon. J.R. Cornwall interjecting:

The Hon. J.C. IRWIN: I hope you will. Good, that's terrific, although I do not know which man you are talking about. The article continues:

> A country with a total tobacco advertising ban, it is substantially lower in Hong Kong (11 per cent)—

that is, 36 per cent as against 11 per cent—

> where there was relatively few restrictions on tobacco advertising.

I draw out further a few points from the introduction by Professor Boddewyn, of the City University of New York, the editor of that study. Under the heading 'Important evidence', the article states:

> 'The 10 country comparison' reported here provides strong evidence that advertising plays a minuscule role in the initiation of smoking by the young. Instead, parents, siblings and friends appear to be the determining factors when children start to smoke.

Under the heading 'New evidence' the following statement is made:

> Such a point has been made and proven before. However, this recent study of 1984-87 provides not only corroborative evidence but also a new angle by focusing on nine countries where the control of cigarette advertising ranges from a ban in Norway to rather limited restrictions in Argentina, Hong Kong and Spain, with Australia, Canada and Switzerland, Sweden, Turkey and the United Kingdom standing in between. It establishes that family and peer influences appear to be the determining factor, irrespective of whether the young are exposed to cigarette advertising or not, with all nine countries reporting the similar overwhelming impact of social and cultural influences on juvenile smoking initiation.

It goes on to refer to new methodology, although I will not quote from that section. As to the implications of the report, the following statement is made:

> The findings would seem to challenge the validity of fairly common assertions that the young start to smoke because they have been exposed to cigarette advertising. They also raise questions about the effectiveness of tobacco advertising bans. In Norway, the subjects of the study were too young to have been influenced by cigarette advertising before a ban was imposed in 1975. Indeed, some of the subjects of the study had not even been born. By contrast all of the subjects of the study in Spain and Hong Kong had grown up in the presence of cigarette advertising, yet the incidence of smoking among the juveniles studied in Spain and Hong Kong was lower by far than the incidence of smoking amongst juveniles in Norway. Clearly, factors other than advertising are at play, and they even predominate, so that advertising should not be made into a scapegoat for juvenile smoking.

Is the evidence believable? As I have said, the study was initiated and financed by the tobacco industry. The report states that no-one should question its right to engage in research, any more than that research undertaken by the

anti-smoking movement should be considered suspicious *a priori*. The test, instead, should be—

The Hon. M.J. Elliott: Who has the biggest vested interest?

The Hon. J.C. IRWIN: Well, they are putting up the facts as they found them. It is up to the honourable member to decide whether it is good or bad research. I am making my decision.

The Hon. R.I. Lucas: As a scientist, the Hon. Mr Elliott should know that.

The Hon. J.C. IRWIN: Well, he is quite able to argue as he wants to when he contributes to the debate later; he can put down all these assertions made by Professor Boddewyn and those of the study undertaken by the Children's Research Unit of London. Professor Boddewyn continued:

> I think that the methodology used by the CRU was appropriate and that the findings are credible. After all, other studies have reached similar conclusions.

I do not know who funded those. He continued:

> Particularly relevant in this respect are the conclusions of a recent study of schoolchildren smoking in four countries sponsored by the World Health Organisation.

I guess that organisation would not be taking any money from cigarette manufacturers. I shall quote from material supplied by the World Health Organisation, as follows:

> The lack of clear differences in smoking habits between countries probably reflects the selection of countries involved in this study in 1983-84. However, since Norway and Finland are countries with restrictive legislation (actually a ban) on advertising of tobacco products, and the other two countries, Australia and England are not, a difference might have been expected. No such systematic differences are found.

The article further refers to health behaviour in schoolchildren and the World Health Organisation cross national survey, etc. I look further to the Minister, the Hon. Mr Elliott or anyone else belatedly introducing into this debate some hard facts to refute these arguments and findings, and so support this Clayton's bob each way tobacco advertising ban. The moves by the Government in this area are hypocritical and, as I have said before, no matter what has been said by the Government and its backers—and one may well be the Anti Cancer Foundation, with its bulletins and full page advertisements in last week's paper—

The Hon. M.J. Elliott interjecting:

The Hon. J.C IRWIN: I will not go into that argument. I do not know who funded the anti-cancer activity—whether they came from all those people listed on the side, whether they were from public subscription or whether the Government put in, I don't know; I'm not interested. As to that advertisment in the paper of last week, who listens seriously to the Council of Civil Liberties? They will find a way to support the Government, no matter what the argument is. I bet they would not do so if the Liberal Party was putting up this legislation. The anti-cancer advertisement included a segment on civil liberties, as follows:

> The proposed legislation does not encroach on civil liberties . . . In fact, the President of the Civil Liberties Council of Australia has advised the Anti Cancer Foundation that he can find nothing in the prototype Victorian Bill which suggests that any person will suffer an infringement of his or her civil liberties. We are not opposing the right of any individual to choose to smoke, change brands or risk an early death from smoking, but youngsters [and honourable members should listen to this] are not exercising freedom when they are lured or pressured into smoking. We do not recognise that the legislation will encroach on the commercial liberties of tobacco companies to advertise and promote their product. This should not be confused with the civil liberties of the individual.

Individual liberties are crashing all around our ears in any direction that one may care to look. The various Councils for Civil Liberties around Australia and here in South Australia must support the State looking after us in every conceivable way. Otherwise, we would be hearing more from that council every day—but, of course, we do not. What does it mean? Youngsters are not exercising freedom when they are lured or pressured into smoking.

The Hon. J.R. Cornwall interjecting:

The Hon. J.C. IRWIN: The Minister can decide that. What is meant by the reference in the article that I have just quoted that youngsters are not exercising freedom when they are 'lured or pressured into smoking'? That could apply to every single thing that ever shaped the life of any young person. Anyone who has been a parent would know that there are hundreds and hundreds of things that young people do not want to do. They may not even want to go to school. But, what we do we do here in this State and around Australia? We legislate that they should go to school.

If the problems of smoking are so bad and so seriously backed by indisputable facts, as the Minister tells us, why does the Government not have the courage of its convictions and go all out for what it is saying is best for me and for everyone else in this State? The drip system is just not good enough. For instance, members opposite hate the situation in South Africa, but they do not have the courage of their convictions to ban South African Grand Prix drivers, golfers and tennis players from participating in sporting events held in South Australia. Even though members opposite support sanctions on South Africa, they do not ensure that we stop exporting our wheat to that country. They do not stop the Grand Prix drivers from racing—

The Hon. J.R. Cornwall interjecting:

The Hon. J.C. IRWIN: Well, you have the courage of your convictions; come on!

The Hon. J.R. Cornwall interjecting:

The Hon. J.C. IRWIN: That's all right; you have explained that. It is worth bringing up the old hoary issue again, namely, that the Government is opposed to uranium being sold to France. However, the Government keeps on selling it to France because it wants the money. I put it to you: what are you—men or mice. The Minister in his second reading explanation said:

> The figures speak for themselves.

I have put forward a different set of figures which also speak for themselves. I hope that members will be prepared to consider the other side of the argument, which utterly refutes the arguments put by the Minister of Health, who, in his second reading explanation, went on to say:

> In the face of such a major epidemic, no responsible Government can simply stand on the sidelines as a spectator to a game in which the stakes are so high—our children's lives.

That is certainly good emotional stuff. Perhaps the Minister could explain a little more about the epidemic I thought the incidence of smoking was actually reducing. Why don't you do as you did with the opticians legislation in regard to the treatment of children under eight years? I thought that a national approach to this problem was sought. But here we have a different set of circumstances. If it was right to seek a national approach on the opticians legislation, why has the Minister not let this matter go on longer while a national solution is sorted out?

If the Minister and the Government are so hell bent on turning back this epidemic, why do they not be consistent and turn back a couple of other epidemics? If they are fair dinkum, as a Government and as individuals, they will support Dr Ritson's Bill relating to abortions, which eliminate 4 000 lives in South Australia each year, to at least stem that tide a little. I refer to AIDS: is there any question that there is a major epidemic in the making? Does anyone believe there is not? Has anyone even the slightest doubt that this tide will take some turning and has the potential

to eliminate a great number of South Australians and Australians? Yet the Government will not even consider taking the first obvious step to identify exactly where it is and what it is. All it can do is muck about with words and needles and pander to the homosexual minority which endangers us most of all.

The Hon. J.R. Cornwall interjecting:

The Hon. J.C. IRWIN: How big an epidemic do you believe this will be?

The Hon. J.R. Cornwall: It is a bigger epidemic in Queensland, where homosexuality is a criminal act, than in South Australia.

The Hon. J.C. IRWIN: Let us have the figures for that. The Minister finally gave figures regarding the attitude of parents to smoking; they were provided by the Anti Cancer Foundation and indicated that 90 per cent of parents said that they did not want their children to become smokers. So why not ban smoking for children 16 and 18 years and under? On those figures surely the Minister would get overwhelming support from the parents surveyed. We take such action in regard to alcohol, so why not in relation to cigarettes, even though everyone would admit that the alcohol laws relating to young people are a farce—the laws may not be a farce but the backup certainly is. However, there is no need for that farce. What is the attitude of State schools to tobacco? As a schoolboy I was severely punished by the school and by my parents if I was caught smoking. Admittedly that was a long time ago.

The Hon. J.R. Cornwall: It didn't do you much good.

The Hon. J.C. IRWIN: I told you that I did not smoke until I was 19 years old because I thought it would stunt my growth. In some schools now rooms are set aside for little Johnny or Mary to smoke their heads off, with the approval of everyone—the school, the Government and, ultimately, everyone. Where is the indication from this Government that this will stop, if indeed it is going on in schools? Since the Dunstan years Labor Governments have followed and nurtured the *laissez faire* attitude. It is a bit of a shock to see this legislation, which goes the other way. I have to say that I hope the Government will follow this approach in other areas of community concern, such as those to which I have referred.

I hope that this legislation is not a blueprint for an attack on alcohol consumption. I believe there should be some move in the alcohol area, but certainly this legislation should not be used as a blueprint. Many people in the health field advise me that alcohol is as big a contributor to death and involves high medical costs along the way. As we know, it has a devastating effect on individual lives and families, especially when combined with use of a motor vehicle. In fact, a good case can be made out that alcohol and the problems relating to it are more of a problem than the tobacco industry.

Finally, I wish to say a few words about the trust that will be set up to manage the funds obtained through a levy on each packet of cigarettes. I am pleased to note that so far all major sporting bodies have rejected this concept, and I have no difficulty in predicting that the legislation signals that the end is near for the autonomous funding of sport as we know it, whereby sports bodies have been able to sort things out for themselves by negotiating directly with companies. It is the beginning of a State takeover of sport. Sports bodies will forever be dependent on Government trust handouts and, if they do not take them, the Government will rush around and find groups that it can patronise. There will be a greatly reduced incidence of sporting bodies to initiate new sporting sponsorships unless an incentive is built in for funding to be related to the number of fans who come through the gate.

Of course, there is just the chance that tomato sauce, vegemite or ice cream companies will want to take over some of this major sponsorship, but then again all of these products have an associated health problem. There is no doubt that the fund will be used, as my Leader the Hon. Mr Cameron suggested in his speech, for political pork barrelling. There is no doubt that the timing of this legislation is pretty good; the first handouts will be made just prior to the next State election, so the major players—

The Hon. J.R. Cornwall interjecting:

The Hon. J.C. IRWIN: Well, the second handout. The major players will be very pleased—

The Hon. J.R. Cornwall interjecting:

The Hon. J.C. IRWIN: There will well and truly be time for it to sink in. People will say, 'The Government is terrific because it is giving handouts to everyone, more so than before, and we ought to stick with it.' That is what I am saying. Only time will tell what happens after that. It is a bit like the WorkCover argument.

South Australian employees are already seeing early promises by this Government of reduced premiums not fulfilled. But then, of course, we will follow the Victorian experience: the whole scheme will go into devastating deficit. That is already starting; that is the new disease. If any Government legislation is to be passed in this Council, it should be legislation against deficits.

The Minister says that there will be a dramatic fall in the number of teenage smokers. I hope that people are appointed to undertake various studies, perhaps funded by the tobacco industry, to monitor this aspect all along the line. The Minister might tell me how this will be dealt with.

The Hon. M.B. Cameron interjecting:

The Hon. J.C. IRWIN: He has it all worked out, and I will not help him. If this be all and end all legislation is to have such a dramatic effect on reducing smoking by young people, of course it will reduce the trust's revenue. How will that be dealt with? The Minister might care to answer that. Will the Minister and the Government deal with this aspect by increasing the levy from 5c a packet to 10c? The Anti Cancer Foundation has argued for a levy of 10c a packet. Will it dip into the enormous revenue from tax on smoking of $50 million? If there is no reduction in smoking, what then? Will the Government reverse its legislation if after five years there is no reduction in the number of people who smoke? That is not very likely: the Government likes the money too much to part with it.

I have tried to put another side of the argument regarding tobacco usage. Experts around the world seem to agree on only one thing—that smoking does have a link with lung cancer and other medical problems. I can certainly accept that. It incurs quite considerable health costs, but so do many other health factors. However, as I have outlined, there are many areas where world experts do not agree and we have to let them slug it out in the public arena. The Anti Cancer Foundation advertisements asking people to contact their member of Parliament did not seem to have much effect on me, because—

The Hon. J.R. Cornwall interjecting:

The ACTING PRESIDENT (Hon. T. Crothers): Order!

The Hon. J.C. IRWIN: Everyone else wants to know from a lobbying point of view, in regard to Dr Ritson's Bill and other Bills. They can read and get my name and address. I have received five letters, two for, two against and one in the middle. If the Anti Cancer Foundation had any expectation of a great avalanche of letters coming to Parliament,

it was not realised in my case but perhaps other members have had a different experience.

Of course, the proper answer is to encourage discipline and moderation in our society and not try to legislate for it. The universal so-called free health system based on all the comfortable socialist philosophies of universality, equity and accessibility gives a safety net to the rich and poor and there is no penalty for people who pursue a certain lifestyle with known dangers built into it. I do not have to explain what I mean by that.

If the user knows that he or she has to pay a penalty in dollars later for ill health resulting from smoking, drinking or whatever, then he or she may think twice before starting or continuing a certain bad habit. Universal State run health services obviously cause enormous cost because they do encourage this safety net mentality. In some cases they can be quite counter productive. 'What the hell' is the attitude; 'I do not have to pay; someone else will pick up the tab for my bad lifestyle.' I am quite prepared to pick up my own tab for my own bad lifestyle, but I am dammed if I want to pick up the tab for someone else for having a worse lifestyle.

When the costs run so high and out of hand and the services do not deliver, as is the situation in Australia now, there are only two ways to go. The first is to throw more taxpayer money at it, but one finds that one cannot do that because it is too politically dangerous to raise more money for health reasons. The second way involves rationalising the system by closing country hospitals: country people do not vote for the Government anyway and politically they will not hurt the Government much. Another way is to take the sort of legislative line that we are debating now so that prevention may reduce the costs.

I have argued that on the evidence shown to me by the Minister and others this legislation will not work. The supporting argument for a Clayton's hypocritical advertising ban will do nothing towards achieving the prime aim of the legislation which is very commendable and which is better health and reducing teenage smoking. By grabbing $5 million plus, the Government can hold the big stick over sporting and cultural bodies in this State. I hope that the people of South Australia see through this Bill.

The Hon. K.T. GRIFFIN: I have been somewhat troubled by the Bill from a number of perspectives. Everyone well knows that I am a non-smoker, that I am adversely affected by tobacco smoke, and that I do have difficulty with smokers in meetings, with some smokers being blissfully unaware of the discomfort that the smoke causes. I am concerned about the number of deaths related to tobacco consumption, I am concerned by the increase in numbers of girls and young women taking up smoking, and I am concerned generally for young people who may be induced to take up smoking tobacco and thereafter be unable to give up the habit.

I have watched with considerable interest what has been happening with this legislation and what the Government has said it would do, what it finally introduced and the gradual and sometimes rapid backdown on its original plans, even up to today. Of course, the lobby has been quite intense. Both sides of the argument have presented their views as they have been at liberty to do. I respect both sides for the points of view which they present and have thought in some depth about the arguments presented, particularly those presented by the medical fraternity, which has to deal with the results of tobacco smoking at first hand. Nothing would please me more than to be able to reduce the number of persons smoking and those who die or who are significantly disabled in consequence of smoking. However, I remain unconvinced that this Bill, as a half hearted or should I say quarter hearted approach, will achieve anything.

I suppose that one could say that the easy option is to ban all advertising and sponsorship in the expectation that that in itself would reduce the inducement to take up smoking, but that is not what the Bill does and, I suggest, it does not effectively come to grips with the real reasons why people take up smoking and remain addicted to it. I suggest that many other things influence the young and the not so young to smoke. There is peer group pressure and the influence of folk heroes, whether rock singers, actors or actresses. Other influences are the high profile sporting and cultural activities, more particularly sporting activities such as the Grand Prix, not only here but in other countries, televised into South Australia, horse racing, cricket, football and a whole range of other extensively promoted and televised sporting activities. For those who are involved in cultural activities, then a whole range of cultural interests will have their influence as well.

I suppose for the middle aged generation the influence of folk heroes such as Humphrey Bogart and even Dave Allen, who invariably appear or appeared on the television screen smoking cigarettes as an immediate reaction to tension and trouble, would have had a considerable influence. Once hooked, I understand from those who do smoke that it is difficult to kick the habit.

What troubles me about the Bill is that it is piecemeal but, even if it were not, there is inadequate evidence that an absolute ban on advertising and sponsorship would achieve results. We have all had circulated to us the World Health Organisation survey which appeared in 1986 making an analysis of health behaviour in schoolchildren across 10 countries. That survey from the findings suggested that there was no correlation between advertising and the extent to which young people were attracted to the smoking of tobacco products.

The Hon. M.J. Elliott It's pretty selective data.

The Hon. K.T. GRIFFIN: All I can say is that I have got it and I am referring to it. It is one of the factors which suggest there is no conclusive or even persuasive evidence of the impact of advertising or the lack of advertising on attitudes towards smoking. One of the concerns which was reflected from that survey was that smoking is strongly correlated with a negative attitude to school, to poor school achievement and no plans for higher theoretical education. Smoking was also strongly correlated with a number of smokers in the close family. That was the position, whether there was a ban on advertising and sponsorship in relation to tobacco products or not. I would tend to the view that self-esteem, confidence, attitude to academic achievement, and opportunities for development for taking a responsible place in the community all have a significant impact on a young person's attitude towards consumption of tobacco.

I suggest that that applies equally to the consumption of alcohol. However, there are some problems with the Bill and I will deal with them briefly. Other members have already referred to these problems so I do not need to spend so much time on them. I will focus on the provisions of the Bill which in effect exempt certain media from the operation of the legislation. Up front, because of the constitutional problem, is the statement in proposed section 3a that the legislation will not apply 'in relation to anything done by means of a radio or television broadcast'. Of course, under Federal legislation that is within the jurisdiction only of the Federal Government, although in relation to televi-

sion and radio advertising standards are set in relation to the promotion of products such as alcohol and tobacco.

In proposed section 11a of the Bill the provisions will not apply to a tobacco advertisement in or on a newspaper or magazine. I presume that that would extend to publications like club news, magazines promoted by particular sporting organisations and perhaps to the inserts which appear in the daily newspapers, although I am not sure about that because they are inserts and take the form specifically of advertising. However, I think that that is something which needs to be specifically addressed. It does not apply to a book or a package containing a tobacco product. There are other advertisements to which the Bill does not apply, for example, a tobacco advertisement that is an accidental or incidental part of a film or video tape. I presume that that really refers to feature and other films where the resort to a cigarette is I suppose at least an acknowledged way of heroes relieving tension rather than being principally to advertise a tobacco product.

The Bill also does not apply to a tobacco advertisement that is displayed in a shop or warehouse adjacent to a place where tobacco products are offered for sale, although as I understand it that would not extend to particular brand advertising. It does not apply to a tobacco advertisement that is authorised by the Australian Formula One Grand Prix Board as part of the conduct or promotion of a motor racing event within the meaning of the Australian Formula One Grand Prix Act. Further, it does not apply to an invoice, statement, order, letterhead, business card, cheque, manual or other document ordinarily used in the course of business.

I suppose in relation to the Grand Prix one could ask whether—in the lead up to it with, say, the publicity focused on a Grand Prix motor vehicle displayed in the foyer of a bank or store or on display in Rundle Mall or in some other location or by some other means—that Grand Prix motor vehicle which does have on it tobacco advertising is exempted from the provisions of the Bill. I suppose that is only a small matter to draw attention to, but it is relevant in the consideration of those events and activities which are not to be subject to the provisions of the Bill.

There is also power under proposed section 14a to exempt by proclamation any person (which of course includes a corporation) from the operation of a provision of this part subject to such conditions as may be set out in the proclamation. Of course, that is qualified, because an exemption may not be granted except as recommended by the Minister to facilitate the promotion and conduct of a sporting or cultural event or function, to allow the performance of a contract entered into before 3 March 1988, or to relieve undue hardship that might result if the exemption was not granted. Of course, the exemption in relation to a contract entered into before 3 March 1988 does have a significant element of discretion in it, and there is no guarantee that this legislation will not operate retrospectively and thereby create contractual difficulties as between parties who have *bona fide* entered into arrangements before 3 March 1988.

One question which could be asked in relation to that provision is: what is going to happen to the contractual relationships which have been entered into before 3 March 1988 which are not to be exempted where the inability to carry out the terms and conditions of the contract because of this legislation may well put one of the parties to the contract in a position where he or she (or it, if it is a body corporate) will be liable to substantial damages for failure to perform? The frustration of contracts legislation which we passed only a few weeks ago might apply, but I suggest that that is not necessarily so because the loss will fall where it lies. However, it concerns me that any attempt to override pre-existing contractual arrangements without a guarantee of being allowed to perform them is generally contrary to the principle of natural justice.

In relation to other exemptions, even today in the *Advertiser* there is reference to a statement by the Minister of Health in relation to an exemption to be granted to international cricket. We also have reference to the Winfield Pacing Cup, which is a national event, and that that would be exempted by regulation.

The Hon. J.R. Cornwall: No. I was misquoted.

The Hon. K.T. GRIFFIN: Exempted by proclamation. So there will be an exemption for the Winfield Pacing Cup by proclamation. The article also refers to groups being able to apply to the Government for exemptions from that cigarette sponsorship ban. There is also a quote purporting to have been made by the Minister, as follows:

> If someone said we were front-runners to stage the Virginia Slims Tennis Tournament, we would give them an exemption.

I suggest that that range of exemptions indicates a patchwork approach to this matter, and it seems to me to be quite unfair and unreasonable that high profile events should be permitted—whether by specific provision in the Bill or by exemption by proclamation or otherwise—to take what they see as the benefit from advertising and sponsorship, while on the other hand other activities, cultural and sporting, which are not of a national or international nature are prevented from doing so.

Of course, as the Bill indicates, they may benefit from funds paid out of the South Australian Sports Promotion Cultural and Health Advancement Trust proposed to be established under Part III of this Bill. I want to turn now to the proposed trust, indicating that, of course, there is no guarantee that any body which presently receives some form of support from the tobacco industry will receive an equivalent measure of support from the trust proposed to be established under the Bill.

The Hon. J.R. Cornwall interjecting:

The Hon. K.T. GRIFFIN: The Minister, by way of interjection, indicates that there is to be an amendment which will overcome that particular problem as I have expressed it, so I will be interested to see that. I will just comment on the aspect of the independence of the trust. We have focused on the potential for that trust to be subject to political influence and to quite considerable lobbying, and I suggest that, because of the structure of the trust, that is certainly a potential criticism of the way in which the trust will operate. It comprises seven persons appointed by the Governor, of whom one will be appointed to be the presiding member of the trust, three by respective Ministers (the Minister of Health, Minister of Recreation and Sport and the Minister for the Arts), and one other who has knowledge and experience in the area of advertising. They are, in fact, all appointed by the Governor in Council and will, quite obviously, be the appointments of the Ministers of the day, and it is open to—

The Hon. J.R. Cornwall interjecting:

The Hon. K.T. GRIFFIN: I acknowledge that the Government appoints in relation to all those, but what I am suggesting is that this a body which has the potential, because of its handing out of funds, to have much more political influence and overtones (or undertones, or however you like to describe it) as those other bodies—

The Hon. J.R. Cornwall interjecting:

The Hon. K.T. GRIFFIN: It will be because of the membership and also potentially—

The Hon. J.R. Cornwall interjecting:

The Hon. K.T. GRIFFIN: I am not. I said it will potentially, because of the membership. Then, of course, the budget is to be approved by the Minister, and it is not clear what procedure is to be followed for the presentation of a budget, the approval of the budget and the extent to which that will be subject to parliamentary scrutiny. I suggest that if the trust is to be established there ought to be some mechanism by which the budget—which is a key ingredient in the work of the trust—is scrutinised by the Parliament.

The Hon. J.R. Cornwall interjecting:

The Hon. K.T. GRIFFIN: That is certainly not clear. There are many statutory bodies whose accounts are not scrutinised by the Estimates Committees. The Health Commission, of course, is akin to a Government department, but this trust is a statutory authority which is not akin to a Government department. For example, the Legal Services Commission budget is not subject to review by the Parliament; the funding by the Government is.

The Hon. J.R. Cornwall interjecting:

The Hon. K.T. GRIFFIN: An annual report. I think that there are some deficiencies in the way in which this body is to be accountable to the Parliament and subjected to scrutiny. There is no provision in the Bill or even in the principal Act for a negotiated code of conduct. In much of the consumer affairs legislation with which I have had any involvement, most recently the Fair Trading Act, there is a provision for the promulgation of codes of conduct and standards after consultation with a particular industry group. In the Occupational Health, Safety and Welfare Act there is provision for codes to be negotiated and to be promulgated after that consultation by way of regulation. It then becomes binding.

There is in some of the legislation dealing with the concept of negative licensing a provision to promulgate codes of conduct, and I must say that this legislation does not have such a provision. I raise that because in the United Kingdom I understand there is a highly successful code of conduct relating to sponsorship of sport by tobacco companies. There is a code in relation to the sponsorship of sporting activities. There are other codes which involve tobacco companies and the ways by which they can expend their sponsorship and advertising moneys which, I would have thought, would be an appropriate way to handle this problem, because it then sets standards which have been negotiated.

In the United Kingdom, as I understand, they have been negotiated between the Minister for Sport on behalf of the Government and the Tobacco Advisory Council on behalf of the tobacco manufacturers in the United Kingdom, and the cigarette importer members of the Imported Tobacco Products Advisory Council. Those standards, as I understand, are policed, strictly enforced and are particularly tough. I would have liked to see a provision for that in South Australia, and for that to be explored as an avenue for development of the law and of a code, rather than the way in which this Bill is seeking to go. I make several other observations on the Bill. The definition of 'tobacco advertisement' means:

> . . . any writing, still or moving picture, sign, symbol or other visual image or message designed to promote or publicise.

I raise the question as to how that design is to be established. It also refers to a trademark or brand name or part of a trademark or brand name of a tobacco product. Trademarks are the province of the Federal Parliament. There is a Trademarks Act. I just have a concern that reference to trademarks in that context will, in fact, be in breach of or in conflict with Federal legislation or jurisdiction. It may be also that in any of the material which is not exempted under proposed section 11a material coming across the border from other States or the Territory may well fall foul of section 92 of the Federal Constitution.

Clause 10 of the Bill repeals section 7 of the principal Act, which provides:

> Subject to subsection (3) a person shall not publish or cause to be published an advertisement for a tobacco product, unless the advertisement incorporates or appears in conjunction with a health warning. The warning must be published in the prescribed manner and form. The Governor may by regulation exclude a class of advertisements from the operation of this section.

Will the Minister clarify at an appropriate time whether the repeal of section 7 is intended then to remove from the advertisements, which are exempted in proposed section 11a, the requirement to carry a health warning? In relation to clause 12, I raised the matter whether in new section 11a (3) *(a)* the dropouts from newspapers are intended to be included or excluded, or are they to be not subject to the same exemption as is given to newspapers or magazines?

I suggest that those areas highlight a number of inconsistencies in the legislation, a number of difficulties, and also a patchwork approach to the question of advertising and sponsorship of tobacco products. Notwithstanding my concern about the extent of tobacco consumption and the consequences of it, because of those quite considerable inadequacies of the Bill and because of its uneven approach to those who presently receive the benefits of sponsorship and advertising moneys, I indicate that I should not support the second reading.

The Hon. M.J. ELLIOTT: The Democrats will be supporting this Bill, although we have some reservations about the Bill which I will get to in due course. Following the declaration of interest made by the Hon. Jamie Irwin, I think I should also declare my interest in this Bill as well. I have no personal financial interest but, as a father of three young children, I certainly have a very direct personal interest in this Bill, because I care about their future health and welfare. Also, I suppose my nine years as a teacher has also created a great deal of interest in the welfare of young people in this State generally.

I do not intend to speak at great length to the second reading, because I have already spoken to a similar but stronger Bill in this place previously. I am disappointed at some weaknesses in the Bill. I understand that there really has been a problem with the Premier, in particular, who has not wanted this Bill. He has been weak-kneed to the nth degree, because he does not particularly like upsetting the newspaper people, who are his lifeblood, at least in terms of political survival. I understand that, but I believe that, if one must set out principles for one's survival, that survival is not worthwhile—at least in a political sense.

I am absolutely amazed that there are still in this community people who want to believe that tobacco is not a killer drug. I continue to receive phone calls and letters from people to that effect, and there are still people from within the tobacco industry who continue peddling that line from time to time. They try to create any degree of uncertainty that they can. I really do not know how people in the tobacco industry, the peddlers of the biggest killer drug in Australia, can live with themselves. It is totally beyond my comprehension. In all conscience, I could not allow myself to work for such an industry, and to go about spreading lies in the community and trying to manipulate the political process to ensure survival is the most abhorrent thing that I can ever imagine.

Tobacco is the killer drug. It is responsible for something like 72 per cent of all drug deaths. To be certain, as the Hon. Jamie Irwin said, it does not tend to kill people until

their later years but, nevertheless, it does lead to reduced length of life, and, probably more importantly, reduced quality of life. Its impact on morbidity is really quite frightful, and emphysema, bronchitis, and many other diseases which are linked with tobacco are diseases which we should not be encouraging in our society—but the consumption of tobacco does so. We really must do all in our power to discourage people from taking up a drug which is incredibly difficult to give up.

The Hon. Diana Laidlaw: Or ban it.

The Hon. M.J. ELLIOTT: Well, we know that we—

The Hon. Diana Laidlaw: The honourable member just said 'everything in our power', and in that context you have the power to ban it.

The Hon. M.J. ELLIOTT: I may indeed have been untidy with my words. I do believe in civil liberties, and I can appreciate the civil liberty argument, in terms of people making the decision to consume tobacco, where they are fully aware of the risks that they are taking. This really is why it is so important that we do tackle the question of advertising, which is directed towards young people, or anything which is likely to induce young people to take up smoking, because they really do not understand the risks. Unfortunately, children tend to have a feeling of immortality. Young people tend to think they are going to live forever. It is the reason why young people get into cars and drive too fast, drink too much, and do many other things. To them life is a lot of fun and they are going to go on forever. Being told that at 65 one is going to die of lung cancer is not the most frightening thing that one can say to a young person—

The Hon. R.I. Lucas: I warned you when you were in Mount Gambier.

The Hon. M.J. ELLIOTT: I took heed, Robert. I did succumb for a brief while to trying cigars on a Friday night, but Saturday mornings were dreadful, so I got over that.

The Hon. Diana Laidlaw: Are you a reformed smoker?

The Hon. M.J. ELLIOTT: I was never a proper smoker to start with; I tinkered at the edges, and I suppose that is now due to being under the influence of another drug, I suppose, alcohol, that I was even foolish enough to do that. But, I have reformed and no longer touch the evil substance.

The Hon. R.I. Lucas: Alcohol?

The Hon. M.J. ELLIOTT: No, I am talking about tobacco; let us steady on here and not get carried away! The insidious thing, of course, about tobacco is, as I have said, that it is a drug which kills slowly; it kills later. Cancer is not an instantaneous disease; one does not smoke a cigarette and come down with cancer. It is like skin cancer; it is prolonged exposure and, even if one stops exposure to the sun now, sometimes the processes that will get you later on have been set in train. That is true of so many carcinogenic substances. It often involves prolonged contact with a substance, and the impact does not get a person until some time later on. Likewise, the effects on the circulatory system, etc., are often cumulative and the impact is not immediate.

Of course, the tobacco companies have played an amazingly devious game in promotion. They have managed not only to get people hooked on the substance tobacco, but also to get sporting bodies and cultural bodies hooked on their sponsorship, to the extent that they now scream blue murder if they feel that they will loose it. Sponsorship really was one of the most cunning devices that the tobacco companies have come up with for a long time. They have been banned from the electronic media, and somebody got very cunning and worked out that sponsorship seemed to be a way of getting around this electronic media ban, they also had these other bodies in place, and that made it very difficult to move against advertising at a future time. There is no end to their deviousness. They now come along pleading for an opportunity for self-regulation.

Even while they plead for self-regulation, when we look at the advertising that they use in the print media we see that there is no way they could ever be serious about self-regulation, because that advertising is still blatantly directed towards young people, suggesting the wonderful lifestyle they can have if they smoke tobacco. In France, when tobacco advertising was banned, the companies went so far as to invent Marlboro matches, and there were full page colour advertisements, similar to Marlboro cigarettes advertisements, which, if one looked very carefully, showed little redheads. There were also Alpine cigarette lighters and other wonderful products.

The companies are continually looking for ways to get around the intent of a Government of a country or a State. Here in South Australia they are turning their millions of dollars to diverting what the Government is trying to do. They are in the very comfortable position of being able to spend this money and then claim it against income tax, which means that you and I, whether or not we smoke, are subsidising their campaign to divert what a Government is attempting to do. Of course, the companies argue that it is their right to advertise, and I accept that they have a night to express an opinion, as all people do in our society. However, they are really doing it from a comfortable position, using tax write-offs along the way.

I am willing to accept the civil liberties argument about the right of a person to smoke—as long as people do not interfere with someone else, and I suppose that is where the arguments about passive smoking come in. However, the right to encourage someone else to take up smoking and to indulge in a substance which is, quite clearly, dangerous is not a civil liberty. That is why the Council for Civil Liberties did not accept the arguments of the tobacco companies. The council sees them as being blatantly fraudulent, but I suppose that the tobacco companies hoped that a simplistic argument would work. That certainly seems to have worked in certain sections of the media, but they have their own interests to worry about at this time.

I suppose one of my concerns about this Bill relates to the innocent victims who might be picked up, such as the outdoor advertising people who have been involved in a business arrangement for some time whereby their business is set up with a significant amount of tobacco advertising. They will be affected by this Bill. I believe that the Minister intends to use the powers under this Bill to give those people a chance to phase out tobacco advertising over a period so that it finally disappears in 1992. I support that sort of thing. I believe we must be realistic. The only other option, I should have thought, would be to provide some sort of financial compensation, but allowing a phase out period in such a circumstance is a good option. The phasing in and phasing out of rapid changes that are likely to cause economic disruption to people is a good idea.

For the same reason, when the wine taxes were introduced federally, the Democrats said that they should have been phased in over a number of years. Unfortunately, however, at that time we were opposed by both the Labor Party and the Liberal Party. I am glad that in this case the Labor Party sees some merit in phasing in some changes that can have disruptive effects.

I have already said that I think it is beyond dispute that tobacco is a harmful substance. The Tobacco Institute and other bodies have tried as hard as they can to produce experts who say otherwise, but those experts are really very thin on the ground. The overwhelming level of evidence is

that tobacco is harmful, and it is not only medical doctors who have no interest vested interest other than their patients who are saying such things.

I have been involved in conversations with people in the insurance industry who do a lot of actuarial work. If anyone knows what contributes to longevity, the insurance industry people do, and they have no doubt at all about the impact of tobacco. If the tobacco companies are willing to muddy the water in that case, they are also willing to muddy the water in regard to much more complex arguments, such as whether or not advertising has an impact. That aspect is much harder to prove absolutely at this time than are the arguments about the health aspects. Of course, people have gone through the literature and have quoted selectively. I am not quite sure what good we achieve if we get into a quoting match whereby I bring up my expert and others bring up their experts and we go backwards and forwards so that in the long run we are not sure exactly where we are.

I am convinced from the evidence I have seen that the advertising of tobacco sponsorship has an impact. The evidence is in data form, and I have taken into account my personal experiences in talking with children. I taught health in schools for six years; that did not involve telling children what they should or should not do but sitting down with them and discussing issues. They made quite clear the sorts of things they believed had an impact on them. We talked through things and, although it is not measurable and I cannot quote figures, I am absolutely convinced by what the children said to me over those six years of teaching health that advertising of tobacco sponsorship plays its part.

The Hon. R.I. Lucas: Which reference can you quote? You said that there are experts on both sides.

The Hon. M.J. ELLIOTT: My file contains hundreds of pages. I have a copy of the information that the Tobacco Institute has supplied. We could get ourselves into a quoting backwards and forwards situation.

The Hon. R.I. Lucas: No, I just want a reference—the names of the people. I don't want you to read the whole thing. We might like to follow it up.

The Hon. M.J. ELLIOTT: There is not a reference, but I am willing to show the honourable member the file later. One graph I have (and I could ascertain where I got it from) shows the impact of the ban on advertising and other things in Norway on the level of smoking in that country. Following the 1975 changes to tobacco legislation in Norway, there was a dramatic drop in the number of smokers of both sexes in the 13, 14 and 15 year old age groups.

The Hon. R.I. Lucas interjecting:

The Hon. M.J. ELLIOTT: I am sorry; I have the other source. I would have to dig it out, but I will give the honourable member a copy later.

The Hon. J.R. Cornwall: The Norway connection will be here next week. You will be able to talk to them then.

The Hon. M.J. ELLIOTT: I made the point that we could go backwards and forwards quoting the experts whom we have decided we will believe. Unfortunately, I think some people have tended to do that; they have started off with a preconceived notion and, when they received the data, they said, 'I want to believe that one' or 'I don't want to believe that one.' They have put the data into two files. I have endeavoured not to do that, and I suppose that everyone else will say the same. When all is said and done, we will all have to do what we believe, in conscience, is correct. I believe that tobacco companies have proven often enough that self interest will always be at the forefront. I am afraid they have destroyed their credibility. If they had taken fair warning some years ago and started behaving in a responsible manner, we might never have seen the need for legislation such as this. However, they chose not to do that. That was their decision, and I think that from this point we have no choice but to follow the path we are on.

The Democrats will move several amendments in Committee. First, I am sorry to see that this Bill has not addressed the question of advertising in the print media. I am mindful that there are problems regarding the print media between the States, although those problems did not stop Queensland from printing its own edition of *Playboy*, may I add. I am mindful of some of the problems that result from the interstate movement of newspapers, and I will move an amendment whereby tobacco advertising in the print media will no longer be allowed in South Australia where two other States have enacted similar legislation.

That provision is not dissimilar to a clause in a Bill that was passed by this Council, I think, in 1984. If it is not agreed to on this occasion, I would be interested to know why members have changed their mind. Also, I am concerned by the amount of power that is given to the Minister to do things by proclamation in respect of exemptions and, in particular, the exemption of the Grand Prix.

I intend to move an amendment providing that, where exemptions are to be granted, they be granted by regulation. If we are bringing through a Bill which purports to be a fairly strong Bill, it should not have loopholes that can be abused. We need only see what happened with a certain site in Unley recently, to see how power sometimes can be abused. Also, in the case of the shopping hours legislation, the regulations were used in ways never intended. Anyone who read the second reading debate would be mindful of that. We have several Ministers in the present Government who unfortunately have abused the power of proclamation, and this does not give a great deal of confidence to members to give further power by proclamation to Ministers.

The third area that I will be addressing relates to the trust itself. I will be moving an amendment providing that the trust should as far as practical have equal numbers of men and women. That is a fairly standard clause that we include in Bills where we set up such bodies, and I would not imagine that that would meet any opposition from members. The other part of the amendment to the trust is that I would like power to be given to Parliament to oversee the trust's membership. It has been suggested that the trust could be used for political purposes. One would hope that such a thing would not occur but, nevertheless, the amendment that I am putting forward aims to provide that, after the Minister has appointed the membership, the membership needs to be agreed to by Parliament. True, it is an unusual step and I am not sure that it has been done previously with regard to any organisation, but the point I make is that, with many of the organisations we set up, usually umbrella bodies nominate members. If we set up a Barley Board, we go to the United Farmers and Stockowners. There are always interest bodies, but there do not seem to be umbrella organisations that we can ask to come forward to nominate members in this area. That being the case, we are left in a position where someone has to decide who will be in it and who will not. In the first instance, that needs to be the responsible Minister.

The trust will be administering a large amount of money. It would be politically dangerous in the next couple of years for this fund to be abused. Indeed, I would suggest that any Minister who tries to use it for political ends would end up losing rather than gaining. I am not sure whether the concerns are overstated but, nevertheless, I will be moving an amendment to at least test the water whereby Parliament will need to approve the membership. I would expect that,

if we worked in that way, we could come up with an acceptable trust. I would expect the Minister to nominate members who would provide no worries to the Parliament.

The Democrats support the second reading. We would have liked to see a much stronger Bill. Nevertheless, the Bill is moving in the right direction and, in time, I have no doubt that tobacco advertising and sponsorship in all its forms will disappear from this State. It is only a matter of time. If Amatil spent more time building up its other divisions and gradually phased itself out of tobacco production it would be doing itself a great favour instead of continuing in wasting effort on fighting what is historically inevitable.

The Hon. R.I. LUCAS secured the adjournment of the debate.

SUPPLY BILL (No. 1) (1988)

Adjourned debate on second reading.
(Continued from 24 March. Page 3512.)

The Hon. R.I. LUCAS: In supporting the second reading, I want to address two matters within the education portfolio concerning the sums of money that this State supplies for the delivery of education services in South Australia. While the two issues that I wish to raise are not in themselves substantial or significant matters, they are important and indicative of the major problems that exist within the delivery of educational services in this State at the moment. Indeed, they indicate in these areas and generally the problems resulting from a lack of forward planning by the Government, by the Minister and by the departmental leadership. They also indicate a major and continuing problem with the lack of consultation with affected groups of educators, teachers, staff, parents and students, when major decisions are taken about the delivery of education services. Allied with those major problems we see an increasing importance placed upon economic factors as opposed to education factors. The problems for schools and education units is in the lack of certainty being provided to them for the forward delivery of educational programs.

The first matter I raise concerns the delivery of language programs in primary schools. I look at the example of a primary school which has taken front-on the challenge of the Government and educators to provide a language other than English for its students through all the primary grades. I refer to Ridley Grove Junior Primary School in Woodville Gardens. Back in 1984, Ms President, the school made a decision for delivery of the German language into the curriculum of the junior primary school with the eventual extension of that program into the Ridley Grove Primary School as well. Throughout 1984, when that decision was taken, a staff member was made responsible for the preparation of the curriculum and the course outlined for the ensuing years. There was consultation and discussion with parents and staff. There was much debate. There was a lot of discussion and at the end of 1984, after about a year's discussion, the school community (it was not just the staff decision, but the school comunity—parents, staff and students) was ready for the commencement of the teaching of German in that school in 1985.

In 1985 a special arrangement was arrived at with the Education Department where the multicultural and English as a second language teacher took over the staff member's class who had been involved in the preparation of the German language curriculum. That staff member combined the role of the multicultural education/English as a second language service together with the teaching of German.

At that time the school and staff were given a guarantee from the Education Department that, provided the program of teaching German was successful, the school would gain a part salary in 1986 (the following year) to further the program throughout the school. They were also led to believe that they could expect additional part salaries each year so that the program could be gradually phased in across the junior and primary schools. The intention was that in the first year about .2 of a salary would be devoted to the delivery of German in the reception grade. It was then to spread through and, as those students progressed to year 1, they would be offered a continuation of the German language, and new students in reception would also be learning it. As students in the following year progressed, they would be offered a continuation of the German language and again new students in reception and those in year 1 would be offered the German language. So each year as those students in 1985 (who could be termed 'guinea pigs', I suppose) moved through the grades in the junior primary and primary schools they would be able to continue with their studies of the German language, and other students right throughout the year groups would be able to take up the German language, as well.

I am advised that in 1986 the program gained widespread acceptance, indeed so much so that staff and educators throughout the metropolitan area visited the school to see how the program was developing. In 1986 they were able to expand into year 3 and they had a .6 LOTE (Language Other Than English) salary made available by the Education Department. In addition to the salary, the school through its own facilities was spending money in purchasing resources. Parents became heavily involved in making teaching aids; and trainee teachers from the South Australian College were sent across to observe and take part in the language lessons.

As a result of the very successful program in 1985 and 1986, the department in continuation of its acceptance and encouragement of the program awarded an additional .2 LOTE salary to the school, so it was able to extend the program up to year 4. The school continued to believe that the Education Department was keeping its promise to help phase in the teaching of a language other than English over a period of years. Indeed, I congratulate the department and the Minister for the encouragement and support provided to the school at that time. At that time—in about 1985—because of what I will term the interest that was being engendered in this program at Ridley Grove, the staff at the school undertook discussions with a Dr Roger Wiseman, a lecturer in education studies at the South Australian College of Advanced Education, to see whether he would be interested in undertaking long-term continuing research on this program at Ridley Grove to see how a language is introduced into a school and the effects and changes that it has on the students and staff and indeed even the parents as it moved through that school over a period of years.

I have a copy of a letter from Dr Wiseman dated 18 March this year to the Minister of Education highlighting some of the present problems associated with that program at Ridley Grove at the moment. Before I refer to that letter from Dr Wiseman I point out that, while we saw that growth in the salary from 1985 through to 1987, in 1988 the Education Department provided no additional salary to the school to extend the program into year 5. Indeed, the Education Department indicated that not only was the school not going to receive a salary for year 5 but there would be little likelihood of it receiving additional salaries to extend the program through to years 6 and 7 as originally intended. When the school asked why the language other than English

salary was to be frozen at .8, I am advised that it was told that the school would have to make a decision: it had to either gradually phase out the program of reception to year 3 so that the salary saving could be used to teach German in years 4 to 7, or it could teach German from reception to year 4 and stop.

The school staff and parents were obviously most upset at what they saw as the breaking of an important promise made to them back in 1985 in relation to the delivery of that German language program throughout the reception to grade 7 years in that school. The staff of the school argue that it is now apparent that they have no curriculum guarantee whenever new initiatives are taken and that this affects both staff and parent morale.

I refer back to the letter from Dr Roger Wiseman to the Minister of Education dated 18 March 1988, as follows:

Although it is now policy in several States to introduce and extend such programs—

that is, language programs—

there is an almost complete lack of publicly available and relatively objective information on what is actually happening in those already being provided or being introduced now. There are a very few studies but these are mostly 'once-off' descriptions or celebratory reports from the initiators without a continuing monitoring, description and account of what happens and what changes are made. Nor do they include descriptions in any systematic detail of what actually happens in the classrooms as well as language competencies being developed, together with evolving opinions of the children, teachers and others involved.

When this program was started in 1985, it was expected that it would be extended year by year through the grades into the primary school until a full reception to grade 7 program was provided, as it is in about 18 other South Australian Education Department schools (1987 figures from the Studies Directorate).

Further on in the letter Dr Wiseman states:

The continuing study—

that is, the continuing study of the introduction of this program—

is showing some of the complexities of the real practice of second language programs in primary schools. It should also illuminate the changes made as the program is evolved, including the modifications made to the present departmental primary curriculum to cater for junior primary students and the future planning to integrate this program with the rest of the curriculum. However, the work already done—

that is, the research work already done by Dr Wiseman—

and the promise of usefulness to others now seems in danger of being largely wasted if the planned extension and study of the program is crippled by restricting it to the same number of grades which it has presently reached. Extension into higher primary grades will be allowed only by dropping the provisions in earlier ones.

The letter goes on—but I do not have time to relate any more of its important detail—to indicate that a very important research program is being undertaken by this academic into this program at the Ridley Grove school. The value of the research program is threatened by the breaking of this promise by the department in relation to the provision of resources to the school for the extension of the German language program throughout all years in the primary school.

Earlier this year when the Education Department refused the extension of the salary to enable the teaching of German from years 5 to 7, the schools were advised, by an Education Department officer, of the reasons why it was refused and some suggestions for the future. I want to quote from the letter, which states:

The circumstances which now exist concerning staffing and the priorities for teaching languages other than English mean that it is unlikely that additional salaries can be provided for German. I regret that this situation has occurred and can only suggest that the language program at Ridley Grove be restructured over a period, so that a new subject can be introduced which either maintains a mother tongue or is a language of the Pacific Basin.

That is a little ambiguous, but I would read that to suggest that what this Education Department officer is saying to the school is that it cannot extend its German language program as originally promised and intended. However, if it were to get rid of the German language program and introduce a mother tongue language such as Vietnamese or Khmer, for example, or a language of the Pacific Basin, it might get funding for reception to grade 7.

Indeed, in some of the material that has been provided to me from the school, the staff have raised questions about what they see as inequities in relation to what is offered to them for the teaching of German and what is offered to them for the teaching of what are known as mother tongue languages. For example, I am advised that the German program is based on two lessons of 45 minutes each week, a total of 90 minutes, whereas the languages for mother tongue maintenance, I am advised, in relation to Khmer, Vietnamese and Chinese, is offered at 120 minutes a week, and they are obviously staffed accordingly.

Equally, the class numbers for the mother tongue maintenance languages are set at 10 to 15, whilst other language other than English classes are up to 27. There may well be good reasons for those discrepancies in the two language programs. I must confess that they are not immediately apparent to me, and I seek a response from the Government in relation to the discrepancies between the two programs that are being offered to that school by the Education Department.

I have been one who has for a number of years strongly supported the teaching of languages of the Pacific Basin in our schools, and also have been strongly supportive of mother tongue maintenance, but I believe that a school which has made a choice and been given commitments from the Education Department about its ongoing program over a number of years ought to be allowed to continue with that program, and that any extra resources that are moved into the language other than English area ought not to be to the disadvantage of those schools which are teaching other language programs.

What I would be seeking and what I would hope from the Minister is that he or the Government would be able to give an indication of exactly how the decisions in the allocation of the language other than English salaries are being made by the Education Department at the moment. What are the current priorities? What percentage of the total salaries are being diverted into respective languages? What are the criteria for ongoing development of these language programs within primary schools? What the Ridley Grove school and many other schools are saying in relation to language is that we cannot just lurch from language to language within a particular school; we need to be able to plan with some long-term stability to one's language program, develop expertise in one's staff and support from the parent community for the offering of that particular language, and that we cannot just offer a language for a couple of years then lurch to another language for another couple of years, because that is inefficient and will certainly not be the best way of encouraging the acquisition of other languages by our young students in primary schools.

I am sure that all members would be aware of the research which indicates that languages taught during the very young years or during the reception, junior primary years in schooling, is the best time to get at our young students for language acquisition. Indeed,the suggestion from the Education Department that if the school wants to continue its German program perhaps it ought to phase out the reception-to-3 program and start at year 4, then go through to

year 7, would in my view and that of many others be counter productive.

The second matter to which I want to refer, a matter which raises the general problems we have in education at the moment, is in relation to the decision to move the music branch staff and many other specialist services in the sporting area, as well, out of the Goodwood Orphanage into as yet unknown locations in the metropolitan area. There has already been a good amount of publicity in the press in relation to the problems of the music branch in moving out of Goodwood Orphanage and into other locations. Indeed, a question has been asked in another House.

I do not intend to go over all those reasons again, but I do note that the staff of the music branch wrote to the Minister in February of this year asking three succinct and pertinent questions as follows:

1. Why is the music branch being considered for relocation?

2. Why is consultation with the staff being avoided?

3. Can a small deputation representing parents, music branch management and staff meet with the Minister to discuss the implications that relocation will have on instrumental music education in this State?

I am advised that as of early this week there has been no substantive response from the Minister in relation to those questions. It really is a further example of the lack of consultation with staff who are affected by these major changes in the delivery of services which has occurred throughout the ministry of the present Minister of Education (Hon. Greg Crafter). What we have, in effect, in the delivery of educational services in South Australia is the Minister's own version of the domino principle being put into effect.

We have a decision by the Minister to sell Raywood Inservice Centre; a decision by the Minister to sell the Wattle Park Teacher Centre because of budgetary and other problems. As a result of that, the staff from Wattle Park and Raywood have to be moved somewhere, so the decision is taken somewhere within the bureaucracy to move them down to the Goodwood Orphanage. When we have a look at the Goodwood Orphanage it is decided that the facilities there are not suitable for an inservice centre and a resource centre, as currently provided in the other locations, so we have a plan to spend some $2.5 million in redeveloping the orphanage to make it suitable.

So those staff will move into the Goodwood Orphanage. Of course, what that then does is set the next domino in train and the staff from the orphanage now have to be found new homes. That is the problem we have for, in particular, the music branch, because it is a specialist unit. It has specialist facilities at the Goodwood Orphanage, and it is very difficult to find a run down school in the metropolitan area which has those specialist facilities.

Indeed, I would suggest that it would be impossible. They will have to be built specially about that particular location. Secondly, there needs to be a school which is centrally located, so that all music teachers and students in the metropolitan area will have fair access to the new location. I have a copy of a memo from Jim Giles, the present Director of Education Studies—at least for another two days—in the Education Department to members of SURGE. SURGE is an acronym for a group looking at the relocation. Mr Giles says:

> Units now at the orphanage are specialist ones requiring special additional resources and these must be taken into account if the relocation exercise is to be successful.

That comes from one of the most senior educators in the Education Department and summarises succinctly the problems in removing the music branch from the orphanage to a new location.

The documentation that has been provided to me gives very significantly detailed reasons why the selection of a new site, if they are to be removed from the Orphanage, will indeed be a very difficult one for the Education Department and the Minister of Education. What the staff want—and indeed what I support—is a commitment from the Minister in relation to consultation. Indeed, it should be mandatory and the Minister of Education ought to provide a guarantee that the proposed removal of the staff from the Goodwood Orphanage will not go ahead unless the same educational service and the same quality of service can be provided to all music students and teachers in the metropolitan area from an alternative location.

As I said originally in my contribution, the Minister ought not look just at an economic equation but that a significant educational input should go into these decisions. There must be a guarantee that the quality of education in this important area, involving music and other services that are provided from the Goodwood Orphanage, will not be significantly affected by the decisions that are being taken by the Minister and his rudderless Education Department at the moment. With that, I indicate my support for the second reading. Whilst obviously I am not expecting a response from the Government during this second reading stage, I look forward to a response from officers of the Minister of Education to these two most important matters that I have raised this evening.

The Hon. R.J. RITSON secured the adjournment of the debate.

[*Sitting suspended from 5.52 to 7.45 p.m.*]

LOCAL GOVERNMENT ACT AMENDMENT BILL

The House of Assembly intimated that it had agreed to the recommendations of the conference.

Consideration in Committee of the recommendations of the conference.

The Hon. BARBARA WIESE: I move:

> That the recommendations of the conference be agreed to.

In moving this motion I want to indicate, first, that I consider that the Local Government Act Amendment Bill which will now, hopefully, pass this Parliament, is at least as significant as the reform Bill which passed the Parliament in 1984. I think that those two Bills together represent the most significant reforms that have taken place, possibly in local government history, in South Australia.

The impact of this Bill lies in the dramatic extension of powers that it grants to local government. It is certainly an historic landmark in the history of local government in this State. The history of this Bill, I think, is now very well known by everyone in the Council and I will not dwell on that. Suffice to say that during its passing through the Parliament there were a number of issues on which the numerous Parties in this Parliament were not able to agree, and the matter had to be referred to a conference of managers of both Houses in order to try to reach some compromise on those outstanding issues. I am very pleased that that conference of managers has been able to reach a series of compromises on those issues and that the Bill should now be able to pass both Houses of Parliament. I have made extensive efforts during the past couple of years to reach appropriate agreements with the local government community on the numerous issues relating to this Bill.

Unfortunately, we were not able to reach those agreements and the matter had to be left to the Parliament to decide. Perhaps it was inevitable that this would be the outcome, given the range and importance of the issues contained in the Bill. As I said, the conference has been successful in reaching compromises which I am sure are not totally satisfactory to all the players, but which nevertheless are decisions that all parties will be able to live with.

The most contentious of the issues that faced us with this Bill, rightly or wrongly, was that of the minimum rate. Mixed views were expressed within the conference on the issue, and I think that the mix of views that were expressed within the conference certainly reflected the mixed views that exist within the local government community itself. However, the conference has now agreed that councils should have a choice between being able to levy all properties within their areas, a levy based on administration costs, and having a limited minimum rate. That is a minimum rate which would be confined to an absolute maximum of 35 per cent of properties within a council area.

It is important to take note of the new section that will come forward from that conference on this issue, because it provides that 'the number of properties in an area subjected to an increase in the amount payable by way of rates because of the fixing of a minimum amount under this section may not exceed 35 per cent of the total number of properties in the area'. It should be remembered that this is in no way an endorsement of the use of the minimum rate as an appropriate practice in local government rating. It is, in all senses, a maximum limit that is being suggested. I certainly have every confidence that the local government community will abide by the spirit of the Bill in using this provision when it is proclaimed.

Those councils in South Australia whose minimum rate currently exceeds that proportion will have four years to phase back their dependence on the minimum rate, a task which, very clearly, they should begin during this 1988-89 financial year. Those councils that currently use the minimum rate less than this proportion will, we anticipate, not take up the opportunity to expand what is really a dubious practice.

It should also be noted that the conference resolution will give some degree of legal protection to councils that have become heavily dependent on the minimum rate as a method of raising revenue because, undeniably, some of those councils have placed themselves at some risk at law. But, I think that, above all, the Government welcomes the compromise which seeks to limit the use of the minimum rate, as it will go some way to meeting the Government's concern about ratepayers who are the owners of low valued properties and who have, in a number of areas of the State, had to bear more than their fair share of the rate burden. It is an important compromise also because the outcome now brings the maximum possible usage of the minimum rate much closer to preserving the integrity of the rating system, which was also a major concern of the Government. It is very important to preserve South Australia's local government rating system, that which is based on land value. Certainly, an unfettered minimum rate, as it had been used in some parts of the State, departed to an unreasonable extent from that basic principle of a taxation system based on land values.

So, to the extent that that draws back from that position, it is certainly welcomed by the Government in assisting to preserve the integrity of the rating system, providing those two values of preserving the rating system and introducing greater equity and justice for ratepayers.

A number of other issues were considered by the conference, many of which to some extent depended on the outcome of the discussion on the minimum rate, and I will summarise those outcomes briefly. There was a difference of opinion about the criteria for the application of the differential rate. The conference agreed to allow for differential rating by zone and by township; this departs from the existing Act, only to the extent that the provision that is currently in the Act to allow for differential rating by ward has now been removed. All members of the conference agreed that there was no real justification for allowing differential rating by electoral district; however, there was a strong feeling within the conference that differential rating by zone and by township should be allowed, and that is the outcome that we have in this report.

With respect to valuation systems, the original Bill provided for a one way movement to capital valuations. The conference felt strongly that there should be greater flexibility—that councils should be able to move back to annual or site values. Indeed, the conference has agreed that this should occur but that no council should be able to move back in less than a three-year period. So, any valuation system that was in place must stay in place for at least three years. This provides some certainty to ratepayers and also gives an opportunity for a particular rating or valuation system to be suitably tested by councils.

As to instalment payment for rates, the conference felt very strongly that there should be two-way movement for councils. The original Bill certainly provided for the first time the opportunity for councils to move from collecting rates on an annual basis to doing so in half-yearly or quarterly instalments. That was a one-way movement to quarterly assessment. The Government believed strongly that this was a desirable move and that it was important for ratepayers to have certainty in the rating system. Other members of the conference believed that it was important for councils to have flexibility and that they should be able to move back from quarterly instalments to half-yearly or single instalments should they so desire. Now, as a result of the conference decision, councils will be able to do that, but they will be able to move back only after a particular rate instalment decision has been in place for a reasonable period. So, some certainty is provided for ratepayers in this respect.

The other issue that was addressed by the conference related to the formula that would be used to assess projects under the new provisions which allow councils to become involved in projects and activities that have never been available to them previously. There was a difference of opinion as to whether the assessment of projects should be based on a figure related to rate revenue or total revenue. After discussion in the conference, it was decided that the original position of the Bill should be maintained and that such assessments should be based on rate revenue.

The outcome of these issues demonstrates that there has been some give and take on all sides in the argument. I believe that the package that has come forward will be relatively satisfactory to everyone who has an interest in this matter. The result will be welcomed by people in local government when they have an opportunity to look at the entire Bill, now that it has passed all stages of Parliament, and are able to assess the numerous provisions that lie within it.

Certainly, the Bill is an important acknowledgement of the potential and aspirations of local government to expand its sphere of influence in our community. I should say, too, that, as with all revisions Bills, as was certainly the case with the first revision Bill, and any Bill that is breaking new ground, there will probably be some need for fine

tuning and further review once the provisions are enacted and we have some idea of just how well they work in practice. It may be that some time next year we may need to introduce an amending Bill to tidy up certain aspects that have found to be wanting or where there is need for fine tuning.

However, at this stage I believe that the Bill sets a new direction in local government activity, and for that reason it is an important step forward. The Government, and I hope the Parliament, looks forward to an era of innovation and cooperation in implementing the new procedures and functions that are made possible by this piece of legislation. Certainly, I look forward to a new era of innovation and cooperation between the State Government and local government with respect to the new opportunities that are presented by the many measures in the Bill.

The Hon. DIANA LAIDLAW: It does not surprise me at all that the Hon. Mr Gilfillan is reluctant to speak to this motion now. It follows a day and a bit that the managers from both Houses have met in conference to amend the financial provisions of the Act, on which I will elaborate shortly. Most of the decisions from the conference reflect amendments which were incorporated in the Bill when it left this place in February and which were subsequently overturned in another place. Therefore, I am pleased for local government in this State that that is the case. I refer specifically to the provision which broadens the basis upon which councils can set differential rates.

The conference has determined that differential rates can be set on the basis of use of land, but also locality or a combination of both. Councils and local government associations were keen to have this broad provision, which is currently in the Act. A change has occurred since the Committee stage of the Bill in this place and the conference, in its wisdom, has seen fit to include a definition of 'locality'. That definition, as the Minister explained, does not refer to wards, as occurs in the present Act, but a definition is included in respect to 'zones'.

The conference also determined that, if a council moves to a capital value system—a system favoured by the Government—it can revert to other valuation methods after three years. When the Bill was before this place we passed an amendment which reflects the sentiments now expressed by the conference. However, that amendment established that a council could revert back to an annual or site value if it so wished after two years. That amendment was rejected by the House of Assembly. I believe that the conference decision will be enthusiastically welcomed by councils across the State, because they strongly rejected the Government's original proposal for one way movement in respect to valuation systems. It is an important agreement on behalf of this Chamber because I believe it was objectionable that future councils should be bound by decisions of current councils. Certainly, that position would never be tolerated in Federal/State Government relations. However, for a time the Government in another place sought to impose that system on councils in this State.

As I have said, it is heartening that the conference has agreed that councils should have an option to move between rating systems if they so choose. However, that will be available only after a period of three years of experience with one system, and, of course, they would not return to another system without taking into account the views of their local electorate or being subject at the next poll to any decision that was unacceptable to their local electorate. Providing councils with options was also the basis of agreement by the conference in respect to the payment of rates. Again, that was an important issue in this Chamber when the Bill left this place. At that time we had incorporated in the Bill a provision that, if a council moved to the payment of rates by two instalments a year, it could not move back to a single instalment system. We also incorporated a provision that, if a council sought to move from two to four instalments for the payment of rates, it could move back to two instalments a year after two years of experience with the other system.

Back in February this Chamber considered that this system of flexibility was most important. It was argued at the conference that without such flexibility councils would never be persuaded to adopt an instalment system because essentially too much was at risk. They would not be able to move back if they found that it cost either them or their ratepayers too much by opting for either two or four instalments a year. There is no doubt that this method will incur extra costs for councils and naturally they will be passed on to ratepayers.

The conference agreed to amend the provision that had earlier passed this Chamber. The conference has agreed that there cannot be a change in the instalment system adopted until it has had three years of experience with it. However, it also extends this important question of flexibility by allowing councils to return to a single instalment system from a system of two instalments a year. They are very important outcomes arising from the conference, and the Liberal Party accepts and welcomes all of them.

The conference also decided to put back into the Bill an option for councils to levy a service charge. The Hon. Ian Gilfillan put this proposition to this Chamber, which passed it. The Liberal Party has reservations about the wording that we are being asked to accept, and we believe that this matter should have been settled by the conference. I refer to the provision to outline the possibility that the service charge will not be simply confined to the implementation of schedule 13. We believe—and this was expressed in the conference by the Hon. Mr Gilfillan later in the proceedings—that it is very important that, if the service charge is to be a realistic option for councils, particularly an option that they will accept possibly in exchange for the minimum rate provision, they must be offered more than simply the provisions in schedule 13. That is not the case at the moment and, as I have said, the Liberal Party has reservations that it is restricted to schedule 13 and, with some reluctance, we believe that the Minister will continue to restrict this service charge to schedule 13. It will be most disappointing if that is the outcome because it will never be a realistic option for councils.

Notwithstanding the fact that we welcome the matters that I outlined earlier and the fact that we have reservations about the service charge provision that has resulted from the conference, my colleagues and I are unable to accept the conference decision in respect to minimum rates. I have explained on countless occasions in this place and elsewhere why we have been so insistent that the current form of minimum rating as defined in the legislation should be retained in the present Act, and that is certainly the basis upon which the Bill left this place. I do not intend to go through all of those reasons again tonight, but I repeat that the Liberal Party has received scores of letters from local councils across the State.

All of those, whether or not they have a high incidence of minimum rate assessments, have been adamant that the minimum rate be retained in its current form. All these representations, with the exception of one, have persuaded the Local Government Association to present the same adamant view to the Liberal Party. The representations have indicated strongly that this was not a negotiable position as

far as the LGA was concerned. Again it was our understanding, up to the last minutes of the conference, that any major compromise on this issue would not be acceptable to the LGA and that it would rather see this Bill fail.

At this point I would like to read into *Hansard* a letter which was received by the Hon. Bruce Eastick. I understand that similar letters were forwarded to the Hon. Mr Gilfillan and the Minister before we went into conference. The letter was forwarded to those people by Councillor Kenneth Price, President of the LGA, and reads:

As the conference of the two Houses meets to resolve the deadlock over the Local Government Act Amendment Bill, the Local Government Association seeks to assist the progress of the conference in the following ways. We put to the conference that councils generally support the amendment established in the Upper House debate where the Bill was introduced.

It goes on to state:

Finally, the resulting amendments to the Local Government Act as a consequence of the conference should be practical, clear and functional in the hands of councils.

I recall at this time, although I do not have a copy—

The Hon. C.M. Hill: Who signed the letter?

The Hon. DIANA LAIDLAW: It was sent by the President of the Local Government Association, saying that councils generally support the amendments established in the Upper House debate. At that time I was aware that if there was to be any compromise at all—and one does not go into the situation of a conference without having some fall back position—the fall back position for the LGA was 60 per cent of assessments within their area. That was the agreement of the executive of the LGA, notwithstanding, as I say, the very clear sentiments expressed by individual councils across this State.

During a break in the conference, I understand that the Hon. Ian Gilfillan received further correspondence from the LGA which stated that the President would be prepared to accept a position of a peak of 40 per cent of minimum rates phased in over three years. As I recall, that letter indicated that that was the bottom line and that the LGA would be prepared to see the Bill fail rather than to compromise on that position. Today we find—

The Hon. C.M. Hill: Who signed that letter?

The Hon. DIANA LAIDLAW: Reading over the shoulder of the Hon. Ian Gilfillan, I recall that it was the President of the LGA. We now have the most extraordinary position that, notwithstanding the views of individual councils in this State and the opinions presented in letter form by the President of the LGA, the conference has accepted 35 per cent as a peak for minimum rate assessments and that they are to be phased down to this percentage over four years. I have not canvassed this with all my colleagues, but my personal view is that that is a most gutless response and gutless backdown by some members at the conference and also most definitely by representatives of the LGA, particularly those in the senior executive.

I believe that it is a betrayal of the strong and, perhaps, uncompromising views expressed by individual councils across this State. I do not use the word 'betrayal' lightly. To this stage we have received just one telegram from one council, and this is from Mrs Ekblom, the Mayor of Whyalla. The telegram states:

Whyalla City Council strongly objects to the proposed amendment to the Local Government Bill approving of a maximum 35 per cent of assessments being on minimum rates and urgently requests that you support the retention of minimum rates in its current form.

Upon receiving advice of the outcome of the conference, I am not surprised that that is the response of the Mayor of Whyalla, and I have no doubt that that will be the response of councils across the State, not only those on whom the impact will be severe as a consequence of the conference's decisions. Also, I believe, they will gain the moral support of other councils across this State, because what the conference has agreed to is an unwarranted and unacceptable intrusion into the affairs and responsibilities of local government.

The 35 per cent peak is, in the view of the Liberal Party (and this was stated very strongly at the conference) totally unacceptable. It is certainly an arbitrary percentage and at no time during the conference were members informed of the number of councils whose current assessments were above or below that figure of 35 per cent. The majority of members of the conference agreed on a package with no idea of the consequences of its actions. The 35 per cent figure was picked at random—virtually out of the hat—with no assessment, as I say, of the impact on the operations of any council which will be affected by this process.

There is no account taken, for instance, of the extent of vacant land in towns and country areas, and this is a principal reason for country councils establishing minimum rates; to determine whether it will be feasible and equitable to establish a maximum 35 per cent of assessments on the basis of minimum rates. Nor was any account taken of the number of South Australian Housing Trust properties in respective councils to determine, again, whether this proposal will be feasible for those councils.

Certainly, no account was taken of the number of duplexes or double units which have been established by the South Australian Housing Trust over many years. I cite, for instance, only the area of the Elizabeth council in which there are 3 500 duplex units out of 10 000 households. Therefore we find that if the Elizabeth council deems that every one of those trust units is to attract a minimum rate they will already have reached their peak and, as members would know, that council area is one in which there is a great deal of financial hardship for many people. However, we are not providing the flexibility for that council to establish minimum rates for more than the South Australian Housing Trust properties, even though the conference has endorsed the option of minimum rates.

In the view of the Liberal Party the result of the conference on the matter of minimum rates is that many councils will be severely victimised. Certainly, in respect of Elizabeth we find that that council is being victimised today for decisions that were made by the Housing Trust some 30 years ago, in 1950. The decision also suggests that in the future councils will be at the whim of the trust's housing programs, especially as we are in a time of in-fill housing programs, and some councils might be the subject of many more duplex developments that will see councils' areas facing the same problem that will face Elizabeth as a consequence of this conference decision. But Elizabeth and Whyalla, to which I referred earlier, will not be the only problem areas.

There are also the Noarlunga, Marion, West Torrens, Port Augusta, Port Pirie, Munno Para and Salisbury areas—and I could go on and on. The Liberal Party believes that the decision of the conference with respect to the minimum rate is absurd. We believe that it was made in blissful isolation of the facts and on the basis of ignorance, and we certainly believe it is unacceptable. We are confident that it is unacceptable to the majority of councils in South Australia, not only to those councils on which it will have a severe impact but also there will be a groundswell of moral support from other councils because of the fate of the ones on which the decision will have a most severe impact.

The Hon. C.M. Hill: How did the Government get support in the conference?

The Hon. DIANA LAIDLAW: The Government got support through the Australian Democrats who made several phone calls to the Local Government Association. I was not privy to those conversations, but from being a participant in the conference it was clear that some pressure was being applied to the Local Government Association and eventually they agreed—although I have not seen proof of this—to a 35 per cent peak. The executive of the Local Government Association will have to face the consequences of that. In the meantime, the Liberal Party will continue to represent the councils which have so firmly presented their views to members in this place and also in the other place. We believe that local councils will be the losers from the outcome of the conference—and not only local councils but many people within council areas.

Members may recall that last year the Local Government Association itself identified scenarios if the minimum rate was either abolished or scaled down. One of those scenarios indicated that if councils are to continue their current level of services they will still require the same income to undertake the same works programs and community programs. Therefore, councils will have no choice but to increase the general rate to return the same funds. Across the State today many more people pay a general rate than a minimum rate. So, as an outcome of the conference most people will be required to pay more in rates, with pensioners and small business and in general new home owners in the outer metropolitan areas in particular being hardest hit by this increase.

Another scenario was presented by the Local Government Association some time ago, and one could well envisage this scenario resulting from the conference decision. It is that many councils will have to cut back on many of the services that they provide as the maximum levels of rates will be too high to sustain when simply applying the general rate. As a result, these people who may benefit from the scaling back of the minimum rate in monetary terms will lose the services that they will benefit from. If people have to pay rates based strictly on the general rate as they relate to the property value, councils will be pressured to spend more on property services than on human services.

The Hon. L.H. Davis: What does the State Government say?

The Hon. DIANA LAIDLAW: The State Government still talks about social justice, equity and fairness—those more nebulous terms that we hear more about than we see any action on. It paints a very dismal picture for the most financially vulnerable people in our community, that is, new home owners who are struggling with mortgage repayments and small businesses struggling with falling retail sales and increased costs, including land taxes. They will be required to pay more in general rates to ensure the maintenance of current services.

At this point I remind members of the comments that I made about the service charge in this Bill. The service charge will not be an attractive proposition in its present form to these councils, and so it cannot be said that the service charge will make up the funds that these councils will be deprived of because of conference decisions in respect to minimum rates. Members of the Liberal Party at the conference forewarned the Government and the Australian Democrats of the problems that we saw with the compromise that they accepted, but both Parties did not see fit to heed those warnings. I just make the point again that we see not only in general terms the betrayal of local councils in this State but we also see practical problems with the implementation of this provision.

The Hon. L.H. Davis: It is really getting back to grassroots.

The Hon. DIANA LAIDLAW: Well, they say they are getting back to grassroots but in practice there is more talk than action. There is no phase-in. The Minister may argue (and I believe it would be a farce to do so) that by establishing no phase-in percentage for each year that will leave the matters to the discretion of the council. As I say, that is a farce because those same councils are being dictated to as a result of this conference in respect of the peak or cap that they must achieve in terms of the percentage of minimum rates within their area. Nor does the compromise accepted by the Democrats and the Government at the conference provide for any freeze in the percentage of current assessments, and one can well predict—as it was predicted at the conference—that councils with 34 per cent and below will be encouraged to climb up to 35 per cent, not only within the four years of this so-called phase-down, but in subsequent years as well.

It was rather limply argued at the conference that councils had not shown an inclination to increase the number of minimum rates in recent years and that therefore it was unlikely that the prediction that they would seek to scale up to 35 per cent was feasible. But I believe most strongly that these rather limp reassurances provided at the conference, and also I understand by the LGA, have no substance, and the Minister will recall that during her second reading response when the Bill was in this place she spent a lot of time talking about the growing number of councils that were using the minimum rate and also the growing proportion of minimum rates used within that council.

So, the trend is there now and the Minister has even referred to it in this place, and yet we have the situation where there is just no freeze on the number of minimum rates at any level, let alone below 35 per cent. Also, this cap of 35 per cent takes no account of the fact that local government in future faces declining funds from the Federal Government. For many councils such a decline will be covered in time by returns from entrepreneurial initiatives but that will take time and will not apply to all councils.

Meanwhile, the State Government, the Australian Democrats and, I understand, the executive of the LGA, are party to a decision in conference which has the potential to have a most devastating impact on the financial viability of councils and the range of services provided by councils in the future. As I said before, and I repeat, to the Liberal Party this decision in respect to the minimum rate is totally unacceptable. We feel so strongly about this issue that we have determined that we will not support the report of the conference and will be seeking to divide on the motion that the Minister has moved.

Finally, it is interesting that the conference agreement in respect to the fall back to 35 per cent will, in fact, only take place in 1991-92. That will be well after the next State election and perhaps we will have a Liberal Government and we may see a change in the position imposed upon local government in this State in respect to minimum rates.

The Hon. I. GILFILLAN: I think we have just heard the really clear exposition of the irresponsibility of the Opposition where they can indulge themselves in a whole host of meaningless and silly rhetoric without having to take the consequences of their attitude. It is a repetition of the basic irresponsibility—

Members interjecting:

The CHAIRPERSON: Order!

The Hon. I. GILFILLAN: Could you have some consideration for *Hansard* and quieten down the background noise?

The CHAIRPERSON: Order! I have called for order. I will remind members that we are in Committee and anyone can speak, and speak as often as they wish.

The Hon. I. GILFILLAN: The position of the minimum rate is the one that I will discuss as it is the one that has been carped on for so long as though it was the only issue in the whole of this piece of legislation. The fact is that in this—

Members interjecting:

The CHAIRPERSON: Order!

The Hon. I. GILFILLAN: In the conference this noble Opposition proposed 50 per cent as a cap—as the first number up. They dropped down from the 60 per cent that the LGA was prepared to take to 50 per cent straight off. All this argument—this drilling on—about the iniquities of the minimum rate cap, was put forward as the first cab off the rank in the conference. Since the lid is now off the conference and we are going into what people have been doing there—

An honourable member: Did they spill the beans on the conference?

The Hon. I. GILFILLAN: I don't know what they have done or if anyone has listened to what has gone on. I think we ought to take a more analytical and objective view of the debate on the minimum rate and ignore this posing—this sort of pretence to try and curry favour with a few councils, if they believe they are going to hold strategic votes in a State election—and look at the real issue. The issue is obviously one where many of the members of the Liberal Party have deep misgivings about the abuse of minimum rates and say so. They say so over and over again. Therefore, let us not hear of the holy protection of the minimum rate as if it is some divine part that should be preserved, to be used or abused, in the local government scene.

Members interjecting:

The CHAIRPERSON: Order!

The Hon. I. GILFILLAN: Nobody wants to see the minimum rate retained in the abusive form that it is in so many of the councils in this area. That is the expression by most people in local government where I mix and meet and talk to the councillors, mayors and aldermen. They say they do not want the capacity for councils to continue to abuse the minimum rate. They tell me because I go and talk to them. I keep in close communication with the Local Government Association, members of councils and people who are involved in other councils around South Australia.

I have absolutely no misgivings about debunking the rubbish that the Liberals have spoken about the minimum rate. The Democrats have maintained two things, the first of which is that, as far as is possible, local government should have the right to make the decisions that are involved in its own area of sovereignty. The second aspect is there is a Government which is duly elected in this State and which has introduced legislation that is a far reaching reform of the whole of the local government scene. The Local Government Association, represented as it is by election of those member councils in South Australia, has taken and negotiated certain positions and worked with the Government, and the Democrats. I thought they had worked with the Liberals, but in certain areas that appears to be fairly light on.

What happened in the conference was the resolution of a situation which came from two stated extreme positions into what is a compromise. The compromise will guarantee, for all councils that will responsibly use the minimum rate, a reasonable percentage to use indefinitely. Those who have more than 35 per cent have four years of absolutely no interference in their right to use the minimum rate as they are now. The position is a reasonable one, and I do not feel it will take very long for the local governments that are under some form of pressure now with the minimum rate to use the other methods to ameliorate the so called problems about which the Liberals are carping as reasons to attack, in this nebulous way, the compromise that we have reached. They have forgotten about the power of the differential rate and about section 175, which will now allow special rates to be declared for particular uses and localities. When they talk about protecting the poor people who will be assaulted by the reduction of the minimum rate, I ask 'what about a point for those who are currently being asked to pay the minimum rate with properties which are well under that value and are in an economic stressed state of existence?' You cannot talk about one category and say 'That will not hurt any socio-economic order,' and, in another category, 'We will protect all of them.'

Members interjecting:

The CHAIRPERSON: Order!

The Hon. I. GILFILLAN: There is no perfect form of rating in local government, but all parties at least pay lip service to the principle that rating is progressive and is based on the value of properties. Yet, we have just heard an argument defending councils charging over 80 per cent on the presumed basis that all those properties are at an equitable value. That is idiotic and is a complete denial of the principle of the rating procedure in local government.

The Hon. L.H. Davis interjecting:

The CHAIRPERSON: Order! The honourable member can speak in the debate following the Hon. Mr Gilfillan if he wishes.

The Hon. I. GILFILLAN: I think he has spoken enough already. The point that I am making is that, apart from a very small minority of councils that do feel concern because they have an extraordinarily high percentage, the vast majority of local government representatives accept that there must be a substantial reduction from the very high levels of 80 per cent or more which certain councils use.

The Hon. Diana Laidlaw: Why didn't you accept 25?

The Hon. I. GILFILLAN: The reason for that is that the Democrats have worked in close harmony with the Local Government Association and its executive. It is (and this ought to be read into *Hansard*) a very strident insult to the executive of the Local Government Association for the Opposition to laugh and ridicule their status in the local government movement. They are impugning the people that are elected by the local government movement to make decisions and to have discussions on behalf of the local government world at large. If I am wrong Opposition members can stand up after I have finished and make it plain that they respect the integrity and judgment of the local government executive and the officers who have been given the authority to operate in this way; or, their silence will reflect that I am right, that they denigrate them, and that they do not believe they are competent. I consider that to be a gross insult.

I did not accept 25 per cent, and the Democrats took the position that they did because we continued, over a long period of time, a series of discussions to see what would be a reasonable compromise. We cannot indulge in this sort of profligate irresponsible Opposition which does not care if the Bill is lost.

The Hon. L.H. Davis: Have you read your last speech on this subject?

The CHAIRPERSON: Order!

The Hon. I. GILFILLAN: When they do some calculations of what they would like to have happened, I wonder

what sort of price they will be prepared to pay for this luxury of saying that the minimum rate was not to be touched or that compromises were not to be reached. Were they prepared to wipe the whole of that local government Bill off the slate? See if they reply.

Members interjecting:

The Hon. I. GILFILLAN: 'Yes', they reply, over and over again.

Members interjecting:

The CHAIRPERSON: Order!

The Hon. I. GILFILLAN: This is what local government actually says. I have got letters to read. Despite the Hon. Diana Laidlaw saying that she had to read the first one over my shoulder, I was a little bit more courteous than that and I gave it to her to read.

The Hon. Diana Laidlaw: Was my recall all right?

The Hon. I. GILFILLAN: Yes, pretty accurate. I will read into *Hansard* a letter to me dated 28 March and signed by the President of the Local Government Association, Councillor Kenneth Price. It is as follows:

Following our phone conversations during the breaks in the conference, when you sought written instructions, I have to advise that I have also had discussions with the Minister and with representatives of the Liberal Party. I pass this information on so that you will be fully cognisant of the position.

On the minimum rate, the Minister is seeking 25 per cent of the assessments in exchange of 'use' and 'locality' applying to the differential rate. Her offer is well below our initial offer of 60 per cent and is unacceptable. We would have to walk away from the Bill at that level. I was prepared to make a final offer to break the deadlock in the interests of local government. The offer was a phasing over four years back to 40 per cent of assessment although, as you know, we would be much happier with 50 per cent as the ceiling, phased over 3 years.

However, following our further telephone conversation, our final fall-back position on the minimum rate is 40 per cent of assessments with a phasing period of three years. If this is not achievable, then the Bill must fail.

Members interjecting:

The CHAIRPERSON: Order! Order!

The Hon. I. GILFILLAN: Patience, children. The letter continues:

This offer introduces new administrative difficulties for councils. It will be impossible to make the necessary changes to computer programs between now and the end of the financial year in many of the councils. Contingent on this final position therefore, is the undertaking to delay the introduction of the new measures until after August of this year (1988). I hope that this will provide you with the instructions you have sought.

I also want to read into *Hansard* a letter which I received today and which is addressed to me from the President of the Local Government Association, Councillor Kenneth Price.

The Hon. L.H. Davis: When was the last letter?

The Hon. I. GILFILLAN: It was dated 28 March—yesterday.

The Hon. L.H. Davis: So you had one letter yesterday and one today.

The Hon. I. GILFILLAN: Yes, and if I can have silence I will enjoy reading it.

Members interjecting:

The CHAIRPERSON: Order!

The Hon. I. GILFILLAN: The letter states:

You have asked that we confirm the decision made between ourselves and the Minister of Local Government over the levels of the minimum rate in the Local Government Act Amendment Bill.

As you were advised, our final position on the issue was 40 per cent of the assessments, to be phased back over a period of four years [from which I did not move]. Beyond this point we were prepared to lose the Bill. The Minister had raised to 30 per cent of assessments, to be phased back over five years, and was ready to lose the Bill at this level. In an effort to save the Bill we determined to move another 5 per cent to 35 per cent phased back over four years, but would move no further.

The Minister moved to the same position and the Bill was saved, as you were advised. We thank you and the other members of the conference [I am not sure for what] for the role you played in a long and harrowing day.

Amen! That is enough on minimum rates.

Members interjecting:

The CHAIRPERSON: Order!

The Hon. I. GILFILLAN: There were some unfortunate imputations on my personel character.

Members interjecting:

The CHAIRPERSON: Order!

The Hon. I. GILFILLAN: I will refer briefly to some of the other measures in the Bill—

Members interjecting:

The Hon. I. GILFILLAN: They will calm down now, because I will not allow anything controversial. They will not feel embarrassed anymore, I hope. The service charge referred to by the Hon. Diana Laidlaw is, in fact, a levy. It is not to be confused with a service charge, which is a specific charge for specific services.

The levy, which was introduced on the Democrat amendment, is intended and I hope will become the substantial replacement for the minimum rate where there is extensive need for such a charge. A good point raised by the Hon. Diana Laidlaw was mentioned in the conference. I hope that the Minister will give this serious consideration. For it to be considered at all as an option to minimum rates, it will need to have a wider ambit for the levy to be based than just schedule 13. I suggested the wording, which would be an amendment to clause 10. Relating to section 169 (3) *(c)*, it is as follows:

the charge must be calculated so as to ensure that the revenue raised from the charge does not exceed the council's total recurrent general administrative expenditure (as described in the relevant accounting regulations) for the previous financial year.

I suggested to the Minister in the conference, and I continue to recommend to her, that the words 'council's total recurrent general administrative expenditure' be replaced with the wording 'prescribed heads of expenditure'. The reason is significant. There is a problem, that is, that the present regulations are under review. So, even if we were to deal with specific heads of expenditure in detail or to name them, there could be confusion, and schedule 13 may very well change. I have had correspondence from the Chief Executive Officer of the Hindmarsh corporation, who lists some headings which should be involved in any calculation of the levy.

I will run through these without giving the amounts. I do not suggest that they should be considered in relation to the levy of every council, but they justify consideration. The following have been suggested: fire levy (schedule 5); street cleaning and litter bins (schedule 8); town planning (schedule 8); halls and civic centres (schedule 9); library costs (schedule 9); street lighting (schedule 10); pest plants (schedule 10); Building Act (schedule 10); State emergency (schedule 11); vandalism (schedule 11); general administration (schedule 13); miscellaneous expenditure (schedule 14); and indirect expenditure not allocated (schedule 16).

It is probably unfortunate that we did not address this matter more seriously, but it is probably in her best interests in the move to encourage the use of the levy as an option to minimum rates that consideration be given to amending this wording so that it can embrace at least some of those other schedules, or that it can be left open so that for regulations certain headings can be included, as a result of which they can be more flexible.

The Hon. L.H. Davis: How many councils will support your decision?

The Hon. I. GILFILLAN: Quite a lot are very interested in the levy, and you will find that many people will be very enthusiastic about having the Bill. I want to cover various other measures briefly. I remind the Committee of the situation for councils such as Whyalla, because the Minister has the power to consider those councils which are coming down from a high peak of minimum rate use. Can the Minister in this debate comment on the issue that I have raised, namely, new section 169 (3) *(c)* and indicate whether she has understood or accepted the point that I have made. Will the Minister confirm that she has the power (assuming that she still is in power), and will view with concern and proper consideration the situation of councils such as Whyalla and Elizabeth, which have a high peak of minimum rating from which to descend, and that there may be time restraints that she will consider, in her role as Minister, if they can present an argument to justify it?

I refer to the other major issues that were sorted out during the conference. I welcomed the return to the differential rate being able to be applied to locality or use, or a combination of locality and land use. I mention to the Committee, without reading the full text into *Hansard*, that I received a letter from the Lord Mayor of Adelaide (Steve Condous), asking specifically for that amendment to be made to the Bill, and I am glad that that took place. The removal of the word 'ward' in regard to zones and townships for location did not appear to cause any concern to those members of the conference who were involved in the debate. So, I feel confident that that was eventually amended in an acceptable form.

The flexibility in the method by which rates are paid (going back from four to two, and eventually to one, if that is a council's decision) is important, and the power of the council to return from capital value rate calculations to site value calculations has been restored. A minor omission (I am not sure of its relative value) regarding the basis on which a council can borrow without having to obtain Ministerial approval in the change from a percentage of revenue to a percentage of the rate did not seem to cause too much concern in the conference. I believe that as this is a time of transition in local government it is reasonable for the Minister to have supervision of some of these issues, particularly where there is a risk that a council may move itself into a position of financial embarrassment and difficulty.

There are other matters that one could discuss in general about the Bill, but it is probably more important that I make it plain that the Democrats welcome the Bill. We believe that it is the fruit of a long period of discussion and, in many cases, constructive goodwill on the sides of all those who have been involved. Because I do not suppose anyone is going to say it, I repeat that I believe the Democrats have played a major role in it. I may be surprised and find that that is endorsed.

In the earlier discussions on the Bill many amendments and misunderstandings were erased as a result of discussion on these matters on the invitation of the Democrats. Apart from making those somewhat predictable remarks, I want to congratulate the Minister, the Hon. Diana Laidlaw, the Hon. Bruce Eastick and the Hon. Jamie Irwin who worked in varying degrees in compiling what were constructive amendments which the Legislative Council made, the vast majority of which remain in tact. It is of no advantage to say who won or lost points.

However, it is my conviction that the Legislative Council achieved some very substantial changes to the Bill which are to the betterment not only of the Bill but also of the tiers of government in this State. We will bear the fruit of that in the years ahead when there is more understanding, tolerance and respect from both tiers. I conclude my remarks by saying that we look forward to an exciting new era of local government. These new proposals will take some sifting and sorting out. There will be some hiccups, but in not many years down the track we will have a rejuvenated and exciting local government tier that will be playing a bigger and more significant role in the way in which South Australia is run. I support the amendments as they have come from the conference.

The Hon. M.B. CAMERON: I will not go into any great detail about the results of the conference, except on one issue. The Hon. Mr Gilfillan said that the Democrats played an important role—I have no doubt that they played a big role. In fact, one of these days someone will disclose just what happened behind the scenes in relation to the discussions between the Democrats and the LGA executive. I have never been so confused by a group of people as I have with the LGA's decision in relation to minimum rates. First we were told that the LGA was prepared to drop the Bill rather than lose minimum rates; we were then told that minimum rates should just disappear; and then the LGA changed its mind again. I am sure that the role of some people within the LGA will be closely examined by members of that organisation.

I assure the Hon. Mr Gilfillan and members of the LGA executive that there are some very angry people in local government, and they will be even angrier when they hear what has occurred. In fact, I understand that one telegram has already arrived from the Mayor of Whyalla, with whom I spoke last week. She told me about some of the machinations of people associated with this Bill, and they were most alarming. I believe that the Hon. Mr Gilfillan played a part in what occurred. In fact, I saw a letter from him of which I do not have a copy, although I wish I did because I am sure that it would be enlightening for people to know what sort of role was played by the Hon. Mr Gilfillan. I can assure him that—

The Hon. I. Gilfillan interjecting:

The Hon. M.B. CAMERON: I hope so. The Hon. Mr Gilfillan has played a most peculiar role because he has shuffled backwards and forwards with the LGA executive in relation to its position. The Bill left this place with very strong support for minimum rates, even from the Hon. Mr Gilfillan who said that he had received an unfortunate letter. In fact, he said:

> Since receiving an unfortunate letter, the LGA has emphatically reverted to the public stance that it will be determined to push for the retention of the minimum rate.

I know why that happened: because most of the LGA's members were very angry at the change that occurred without consultation. Of course, we also have another process which has occurred over the past two days. I do not believe that there has been any consultation between the major members of the LGA and the executive. The executive has taken another decision without consultation. There will be some very angry people out there.

The Hon. Barbara Wiese interjecting:

The Hon. M.B. CAMERON: The shift away from minimum rates again. If the Minister and the Hon. Mr Gilfillan think that that move has the support of local government, they are whistling in the wind. The Hon. Mr Gilfillan has some real surprises in store. Just wait until the Mayor of Elizabeth gets hold of him, because she is very angry. A number of people will be extremely cross because they have been left aside as a result of the decision made by the conference. I am disappointed, although I am not surprised. Even before the Bill went to conference I said, 'Don't worry, you will lose minimum rates because the Democrats will change their minds, and I would not be at all surprised to

see the executive of the LGA change its mind again.' Sure enough, that has happened. I am extremely disappointed at the result of the conference, and I suggest that the Hon. Mr Gilfillan should stop patting himself on the back and have a bit more contact with the grassroots of local government instead of mixing with one or two people in the executive whose role at last is being understood by members in the field. I suggest that these people will be lined up at the next executive meeting—

The Hon. C.M. Hill: He's lost touch with the grassroots.

The Hon. M.B. CAMERON: Totally—he is like the Government; he just does not understand any more. I suggest that he should travel around the State a bit and visit a few local government people.

The Hon. Diana Laidlaw interjecting:

The Hon. M.B. CAMERON: I suggest that he would get a good welcome, but I do not think that he should go to Whyalla for Easter and certainly not to visit the Mayor. She is a very nice person, but also very straight. You know where you stand with her. She likes people with whom she knows where she stands. She does not like people who change their minds at a moment's notice. The President of the Local Government Association will get a tough time from some of these people. We have all been placed in a most peculiar situation. The one Party that has been consistent right throughout this debate on minimum rates is the Liberal Party—the only Party that stuck with the grassroots of local government from the start to the finish of the Bill. Everyone else has been all over the place, jumping over the fence and sitting on the barbed wire. There has been an incredible display by all Parties except the Liberal Party.

The Hon. J.C. IRWIN: I support the remarks made by the Hon. Diana Laidlaw at the beginning of this debate and the quite considerable lengths she went to in putting the points of agreement and disagreement resulting from the conference and how the final Bill will turn out. I also support the remarks of my Leader the Hon. Mr Cameron. I wondered how long we would have to wait before three or four faxes or telexes from the LGA would be read into the record. It was done by the Hon. Mr Gilfillan to justify his position in relation to how he stands on the minimum rate issue in particular. I am not sure whether it is the third or fourth time that this has happened.

I know that a letter has been read out and that there have been one or two faxes or telexes since then. This shows how seriously the Hon. Mr Gilfillan stands with the senior executive of the LGA and its position in the saga that brought the cap from 100 per cent (where it began in this place) down to 60 per cent in the conference, then to 50 per cent, 45 per cent and finally to 35 per cent. That saga is now well and truly recorded. Finally, it will be 35 per cent of assessments, and that will be phased in by the end of 1991-92.

It is interesting that the Hon. Mr Gilfillan always had to have something in writing so that he could then say that he did not act alone and, of course, the faxes to which he referred are in writing. The Hon. Mr Gilfillan is now stranded with the senior executive of the LGA. The stand of the senior executive of the LGA in no way reflects the message from local government in general which many of my colleagues and I have been receiving from around South Australia, in the metropolitan area and in particular in rural areas by telephone, personal meetings and by attending many conferences over the past six or eight months. There should have been no compromise on the minimum rate. The level of borrowings in the Minister's own words was crucial, critical and as of much importance as the minimum rate. We now know that the Minister has got her way on the level of borrowings, but I will come to that later.

I will now comment briefly on a few of the five areas of agreement and disagreement which were apparent when the Bill went to conference and how they have been resolved. As we know, the level has been set at 35 per cent of assessments in four years. As has already been said, this will not meet with majority support from councils around the State. Most of the councils at the top end of minimum rate assessments of over 35 per cent would be in rural areas, although I do not have all the facts and figures on that. Yesterday the Minister had a list of some of the councils which are in the high range minimum rate areas, but I think she has now given it to Dr Eastick. Most councils in rural areas will suffer Grants Commission decreases. No doubt from now on the Federal Government will be decreasing its Grants Commission allocation to South Australia, and that may well be the case all around Australia as a result of current financial decisions.

Already some councils in rural areas have suffered quite major decreases in their Grants Commission allocations in real terms for 1977-88, and I would estimate that more than half of councils have received less than inflation increases for this last year. I am saying that it will be worse next year. Most councils will live with the changes, I expect, because that is human nature—even collective human nature. Once the game is over, no matter how hard it has been fought, councils will say that these are the ground rules, and that they will have to get on with it as best they can. I would also say that there will be an enormous backlash from a number of councils around the State when they hear the result after it was first tabled in Parliament this afternoon and after it has passed through tonight.

Let us briefly go through the so-called major trade-offs by local government to achieve something they did not really want when they started, and that was the minimum rate cap. I do not think this has been adequately covered, although the areas have been covered. I do not think that it has sunk in yet exactly what the trade-offs were. They are: flexibility of valuation—the movement in and out of capital and site valuation method adopted and used by a council. As we know, in the original Bill there was going to be a closed trapdoor which meant that once one went into capital valuation one could not get out. Let me remind members that under the present Act councils already have flexibility, so absolutely nothing has been gained by the so-called compromise reached on the flexibility of valuations.

As I have said before, valuations for local government are only for establishing relativities between capital values, site values or whatever other valuation you want to use around their own council areas. It does not matter what the valuation is for local government in that area. All they want to know are the relativities, so that they can apply a rate in the dollar to get their amount of total income, in order to service their area. The people who want to know the values of land and who put great store on them are members of the State Government, who use them for land tax. We know how the Government is misusing that now. It uses them for water and sewerage rates, so the Government wants to know the exact amounts of valuations, but perhaps still they are coming back to establishing relativities. Thus, it does not really matter what the valuations are.

If we go to the flexibility of paying rates, the original Bill suggested monthly, half-monthly, quarterly or annually, but once the move was made there was to be no return. Councils cannot now go to monthly instalments of rates, but they can go to annual rate instalments or four equal instalments. They have not gained anything by having the flexibility in

rates, because it was already there. As indicated before, it really does not matter a damn to councils when they get in their rates. If they have not got in the rates because there are a lot of instalments, they borrow against it. If they borrow against it, they pay interest and have to raise the rates. If they pass that on to the ratepayers to make it easier for them, then they will cause those ratepayers to pay more rates. We have been through all that before. I put it that flexibility of valuations and of paying rates is of very little advantage to councils compared with what they already have.

With regard to the differential rate, I do not doubt that local government is innovative and will look at the differential rate area to get around the minimum rate problem. I do not think that is a good idea, and more is the pity. We have now come back, in the compromise mode we have been in, almost to what local government had as far as a differential rate was concerned. The only difference, as outlined here before, is removing the ability to use a ward boundary for maintaining or charging a minimum rate, so nothing has really been gained by local government in this area. There are three areas where very little has been gained by local government as it now traded these so-called advantages to finish up with a 35 per cent cap which I do not think it wanted.

I can accept wards going out in respect of the new legislation, because increasingly councils are, I suppose, moving to a no-ward situation. Again, I do not know how many are in that situation but I know that the Government's philosophy is to try to encourage them to have no wards. I am assured by the Minister that councils which would be mainly rural will not be disadvantaged by the new legislation, which takes the ward bit out, if they want to make special financial arrangements for funding a special project in a location where most of those using the facilities can be identified in a differential rate.

Then we get to the area of raising borrowings against a percentage of the rates or the total revenue. Out of the five areas of major disagreement between the Opposition, representing the views of local government, and the Government, local government has won three of these which, to a very great extent, return the legislation to what it was in the first place. The Government, on the other hand, has had major wins in the two most important points—minimum rates and this provision of borrowing. Councils will now be able to borrow only up to a percentage of the rates and not their total income. That is a pretty hollow result for local government, to my mind.

In the area of service charges I would like to make a few comments. The new Bill will have this provision for an alternative to the minimum rate. This was the amendment put in by the Hon. Mr Gilfillan but, of course, one cannot have a service charge and a minimum rate—it must be one or the other. The only trouble is that no one knows how it will work or be calculated and what basis will be used for the calculation. However, I understand that a Local Government Act Amendment Bill will be introduced at some time to contain what are called housekeeping provisions, to brush up aspects of the Bill as we pass it, and at that stage there may well be brought in something to do with the nuts and bolts issues regarding how the service rate can be calculated and what it will be. I sincerely hope that that will be worked through with local government all the way along the line. However, the Minister said tonight that this time next year that Bill might come in, so that is a year away. I think when we talked about it before it was suggested it might have been introduced in the session after winter, so the sooner that service levy area can be sorted out, the better.

The Hon. Ms Laidlaw says that the schedule 13 charges are not yet accepted by local government as being a reflection of the true cost of services in a council area. The Centre of Economic Studies surveyed about eight councils, two of which had no increase in rates and a levy equalling their old minimum rate. At least six were way below what they were receiving as a minimum rate. I am assured that councils are certainly not happy with schedule 13 and will seek to negotiate that further. That is a battle to come. In my view, in the long run, if service charges replace the minimum rate we will not have anyone better off because the swings and roundabouts will even these things out.

The service charge will still not comply with the *ad valorem* system and will not be based on valuations. The Hon. Mr Gilfillan has waxed eloquent again tonight about the *ad valorem* system, which is certainly a basis of pure principle, that everything should be based on valuations. I put it that in many areas this is not happening, and it will not happen if the service charge comes in, either. The *ad valorem* system will again be flawed by the advocation of bringing in a service charge which was the baby, if you like, of the Hon. Mr Gilfillan.

The area of *ad valorem* is one which the Minister holds dear, but she will do nothing about eliminating the rorts of her own Government in insisting on maintaining a minimum charge for water and sewerage rates, which are based on land values.

I do not care whether or not it is a charge or rate, it is still based on land values, it is still a minimum rate and it is getting away from the *ad valorem* system. It should not be allowed to go any further if the Minister and the Government are fair dinkum. As I have indicated previously, my last ETSA bill contained a minimum charge. If the Government is so hell bent on getting rid of the minimum rate and the minimum charge in relation to local government it should do it in its own backyard first. It is not setting a good example. No matter what the difference in terminology is the fact still remains that the Government supports the minimum charge in a couple of its own areas, and I hope that that matter will be cleaned up. Although we support a great number of the changes that have been made in this Bill we do not support the motion because of the minimum rate issue.

The Hon. L.H. DAVIS: I want to reinforce the points that have been made by the Hon. Diana Laidlaw, the Hon. Jamie Irwin and by the Leader, the Hon. Martin Cameron. Minimum rates is a matter of fundamental importance. It is a matter on which the Liberal Party has been consistent throughout the many months of debate both in this Chamber and outside in the debate with the 125 councils of South Australia. The Liberal Party has been consistent in its attitude towards minimum rates through its spokesman for local government in another place, the Hon. Bruce Eastick, and that consistency has been maintained in this Chamber.

The Australian Democrats stand condemned. The Hon. Ian Gilfillan has been caught like a rat in a trap. We only need to look at what he said about this matter just a month ago when, in debate during the Committee stage of the Bill, on page 3106 of *Hansard* he is reported as saying:

I repeat: the Democrats have insisted on its retention—

that is the minimum rates retention—

because we believe that councils have the right to make that decision. The argument in relation to how or whether they should use it should be conducted by logic and persuasion, by the electors, by the Government and by other officers who are concerned about it in face to face discussion with the LGA or the councils concerned.

During the second reading stage of the Bill, on page 3003 of *Hansard*, he said:

That is the factor that will influence the Democrats to retain the minimum rate as unamended in the legislation that will eventually control local government.

There is no doubt about what the Hon. Ian Gilfillan said about minimum rates—no doubt whatsoever. It is on the record. For the Hon. Ian Gilfillan to stand up in this Council today and gloss over it and say, 'This was only one of many of a package of measures we considered and really it is unimportant', is to ignore the reality that the Minister could not and would not name the councils or the number of councils that were opposed to minimum rates. Nor was the Hon. Ian Gilfillan drawn into debate tonight on this matter. There is no argument that the majority of local councils—and by 'majority' I mean about 120 out of 125—will be descending on the Australian Democrats like a wolf on the fold. The Democrats have not stood up for the grass roots organisation of the 125 local councils throughout South Australia. They have not taken notice of the letters, the telegrams, the telephone calls and the discussions that they surely have had over the length and breadth of South Australia on this important matter.

Clearly, the Australian Democrats in the past two days have had too much muesli—they are running away from this issue, they are ducking it and wobbling around again in such a fashion that the Hon. Lance Milne looks positively more and more like the Rock of Gibralta. I am appalled to see the hypocrisy and the cant of the Hon. Ian Gilfillan in this debate, to trail letters through the Council of what happened in the past two days, to hide behind those letters, rather than to stand up for what he believed in when the Bill came into this House just one month ago, when he put down his position on behalf of his Party by taking a considered view with all the evidence that was paraded before him. Then, in the conference, to wobble—in fact, to positively crumble—and instead of having 100 per cent we have the Australian Democrats fighting all the way for minimum rates, right down from 100 per cent to 35 per cent.

That epitomises the strength, courage and character of the Australian Democrats—the original manufacturers of the political wobble board. They stand condemned. That message will go through to all the councils of South Australia. If the Australian Democrats believe through their careful cultivation of people particularly in regional areas of South Australia will build up their vote to secure yet another seat in the Legislative Council at the next State election (whenever that may be), then I would say to the Hon. Ian Gilfillan that he has got another thing coming to him. I think that that is one of the most gutless political displays I have seen in my nine years in the Legislative Council.

The Hon. PETER DUNN: I believe that the measure before us would be all right if it would work. How can one determine, if 60 per cent of properties in Whyalla—and I use Whyalla as an example because it epitomises what the minimum rate is all about—are presently receiving the minimum rate, the 35 per cent that will now get it? If the minimum rate is only to meet about 35 per cent, it is bound to go over the top, and it will effectively finish up being about 20 per cent because there will have to be a tolerance.

The Hon. Barbara Wiese: Over the top of what?

The Hon. PETER DUNN: Over the top of the 35 per cent. Because my house and your house are on minimum rates, will you be one of the 35 per cent who has to pay 35 per cent more or will I be the one? In actual fact it will not work. I am disappointed that the conference has come down to this silly compromise. Those Iron Triangle towns will be the most hard hit, along with Noarlunga and Elizabeth. This again demonstrates how the Labor Party has lost touch with the people it is supposed to represent.

Quite easily, it could have been rectified by election. You have got to remember that they are elected, the same as you and I are. If they do not do their jobs and the rates are too high and the people are unhappy with their rates, out they go. I know nothing better than local government to change the people who are not doing the job or who put the rates up too high.

Members interjecting:

The Hon. PETER DUNN: For us to direct them is just plain stupidity. By looking at the Bill in total I just wonder whether local government really do want it. I wonder what it does have in it that is so good that local government is prepared to back down to this degree. What effect will this Bill have on local government when it is proclaimed? I recall distinctly the Minister going to Cowell and saying that this Bill will revolutionise your money or your fund raising. You will be able to go into projects for tourism and you will be able to go into projects on a commercial basis, and you will be able to make money hand over fist.

From my observations, when you get into these details, you generally get into trouble. Local government quite easily can get into trouble, and I think what the Minister is doing with this Bill is actually leading them up the path that this State Government is following. It is in really bad trouble when 56 cents in every dollar that this Government gets it has got to pay out in interest because it cannot control its spending.

The Hon. Barbara Wiese: But you didn't oppose those measures.

The Hon. PETER DUNN: I believe that if the State Government cannot control its spending, local government is likely to get into the same position if it goes into commercial operations. However, that is not the problem. What we are doing is directing them, in this case, that they will have this minimum rate. For a long period, local government have been able to determine what they deemed was a minimum rate. The people that voted those councillors in thought that was adequate and you cannot tell me that three, and possibly five councils, had too high a minimum rate. If that had been well publicised, no doubt they would have been out of power very quickly. Then that minimum rate would have come back to the field. Nevertheless, we have used here a very heavy hammer to deal what will probably be a fatal blow to many local councils.

The Hon. DIANA LAIDLAW: I want to put the record straight in respect to the position of the Liberal Party. I believe a desperate effort has been made by the Hon. Ian Gilfillan to seek to redeem his position somewhat, but he has failed to do so. He distorted the Liberal Party's propositions that were put at the conference.

He stated that the Liberal Party offered a peak, or cap, of 50 per cent. That was not the case. What we did propose was that councils that have 50 per cent or more of their assessments on the basis of minimum rate, be asked to phase back over a period of, as I recall, four years, 5 per cent in each of those years. The Minister will recall, because she introduced some work that was undertaken by the department on her behalf at her request which indicated that if that proposal was followed, there would be 32 councils still above the 50 per cent level after that period of phasing back. On that basis, the Minister would not accept the amendment. I believe that they would not accept that proposition and I believe it is necessary for me to have put that position on the record.

The Hon. BARBARA WIESE: It is not my intention to go into who said what in the conference because I will stick to the convention that has existed in this place, that is, that discussions that take place—

The Hon. C.M. Hill interjecting:

The CHAIRPERSON: Order! Order!

The Hon. BARBARA WIESE: As I was saying, I will respect the convention that has usually prevailed in this place, that the details of discussions that are held within a conference are not usually divulged within the debate which follows in the Parliament. It certainly has not been my intention in making a contribution to this debate to apportion criticism or praise with respect to the developments that have occurred on this Bill.

I must say that some of the things that have been said during the course of this discussion lead me to feel that it is important to put a couple of things on the record, and to correct some statements that have been made. I will also give, perhaps, some guidance or assurances on where we might go from here. I agree with the Hon. Mr Gilfillan that the Liberal members in this place and in another place have demonstrated enormous hypocrisy in their dealings with this Bill in general.

The Hon. L.H. Davis: We have been totally consistent for years and years on this issue.

The Hon. BARBARA WIESE: Particularly on the issue of the minimum rate, because members opposite know, as well as members on this side of the Parliament, that there has indeed been abuse of the minimum rate provisions.

The Hon. L.H. Davis: Tell us how many councils.

The Hon. BARBARA WIESE: They know that something needed to be done about that situation but in order to ingratiate themselves with a group of people in the community who they believe are their supporters they have not been prepared to face up to this issue.

The Hon. L.H. Davis: You have not given us an example. You were given the opportunity and you consistently refused.

The CHAIRPERSON: Order! Mr Davis, you have spoken once in the debate, you may speak as often as you wish in the debate when you have the call. Will you kindly cease interjections.

The Hon. BARBARA WIESE: In their handling of this Bill, they proceeded on the basis and in the hope that the Australian Democrats would come to the call at the end of the day and bail them out. Indeed, that seems to be what has been allowed to occur. Whilst I do not fully support the approach that has been taken by the Australian Democrats in this matter, I think the about turn in their position in this issue was amply—

The Hon. L.H. Davis: Justified.

The Hon. BARBARA WIESE: No, it was amply demonstrated by the Hon. Mr Davis in his contribution to this motion. Nevertheless, faced with the situation of being party to a very important Bill, either passing this Parliament or going down, the Australian Democrats at least were prepared to face up to the issue and talk about possible compromises that could occur which would satisfy most parties and would enable the Bill to pass. To that extent, I am very grateful for the attitude that has been taken by the Australian Democrats. I think the Hon. Ms Laidlaw, in her contribution, was insulting to both members of the conference and also to senior members of the Local Government Association.

She described as gutless what she termed their backdown. I presume that, when referring to members of the conference, she was not referring to Government members, since we had taken a consistent stand on all the issues from the beginning and that her remarks must thus have been directed to the Australian Democrat representative at the conference. From the reasons that I have just outlined, I believe that that criticism was unwarranted and most unkind, to say the least.

As for the criticisms of senior members of the LGA executive, the comments made are not only insulting but also fail to appreciate or acknowledge the difficult role that members of the executive have had to play during the course of the discussions on the Bill. The LGA, as every member in this Committee knows, represents a broad constituency within South Australia. There are many opinions on all the issues involved in this Bill that they have had to try to balance one way or the other.

I have made clear on a number of occasions, both in this place and outside, that I have had my difficulties with the LGA in trying to negotiate the provisions of the Bill, and I certainly have not been very happy with some of the approaches that have been taken. But, right through the process I have always acknowledged the difficult circumstances in which they have found themselves and the problems that they have had to grapple with as they have been trying to negotiate the provisions. It is quite unreasonable that members of the Liberal Party should not acknowledge the role which they have to play and the problems which they have had to face in exactly the same way that the Government recognises the role that it has had to play.

In my view the role that has been played by members of the senior executive in the latter stages of the discussion on the Bill in seeking to find a satisfactory solution to the outstanding issues has been not only courageous but also commendable in view of the vast differences of opinion that exist within that organisation. Rather than coming into this place and abusing those people for the effort that they have made, members opposite should be congratulating LGA members on their efforts to resolve the issues that were outstanding and to enable this piece of legislation to proceed.

The Hon. Miss Laidlaw suggested that when a compromise was found on the issue of the minimum rate members of the Liberal Party forewarned the conference of the potential problems that might exist with its implementation. She suggested that Liberal members warned the conference that councils which were currently imposing a minimum rate at less than 35 per cent of assessments would be encouraged to move up and that it was a mistake that no freeze provision was included with this limitation on the use of the minimum rate.

This demonstrates to me a complete lack of confidence in the integrity of councils in South Australia to act in accordance with the new provisions of this legislation. I am confident that councils in this State will make it their business to be aware of exactly what Parliament was seeking in the passing of this legislation and that they will use the provisions in accordance with the spirit of this legislation as it leaves this Parliament.

I do not believe that councils will seek in a mad scramble to bring themselves up to the level of 35 per cent or, indeed, that they will use the next three years to maximise their use of the minimum rate provisions in order to maximise their revenue potential. I do not believe that local government is so irresponsible, and I am surprised that Liberal Party members believe that they would take that action. I must say that, should such a situation emerge and it can be demonstrated that some councils are not using the new provisions of the Bill in the spirit in which they are intended to be used, I will make it my business to introduce legislation as quickly as possible in order to rectify such a situation. I do not expect that that will be necessary.

In their assessment of the way in which the new minimum rate provisions will be enacted, members opposite seem to be suggesting that there will be enormous difficulties for councils in this State as they wind back their use of the minimum rate. I acknowledge that some councils in South Australia which have found themselves in a position of great dependence on the minimum rate will have some difficulties in winding back or rearranging their financial affairs in order to meet the requirements of the new legislation.

However, I think that members opposite demonstrate blissful ignorance or choose to ignore the provisions which will be available to councils to assist to compensate them for potential lost revenue through the phasing back of the minimum rate as they are currently using it. That matter should not be overlooked, because a number of new opportunities will enable councils to rearrange their financial management and, in most cases, will also allow councils to compensate revenue fully or, if not fully, largely. Also, other provisions can be enacted which would make up the difference.

The difficulties that have been discussed are more perceived than real, and I give an assurance that officers of my department will do everything they can to assist councils throughout the State to understand the provisions of the Bill and to encourage them to use the new provisions to the maximum benefit of council operations, and in the interests of their ratepayers. Should there be particular councils in South Australia, which have a heavy reliance on the minimum rate (such as Whyalla and Elizabeth, to which the Hon. Ms Laidlaw referred) and which would benefit from advice from officers of my department in rearranging their financial affairs, that advice will be forthcoming in every instance. We will assist in whatever way we can to ease the pressure on council.

One of the things that has not been referred to in any great depth in the debate on the minimum rate is the new opportunity that will be provided to councils, if they choose, to move away from the use of the minimum rate to the introduction of the levy system, as outlined in this legislation. Many councils, when they start to do the sums on the two options available to them, will see that the levy system is a greater advantage to them financially. They will see not only that it is of greater advantage to them financially but also that it will provide a rating option which is more equitable for their ratepayers and which will distribute the rate burden far more fairly across ratepayers in their council area. For that reason I think in many cases it will be the preferred option.

The Hon. I. Gilfillan interjecting:

The Hon. BARBARA WIESE: Yes, the formula for the levy, to which I have already given considerable thought. In fact, I think the position that I put to councils when discussing the levy proposal has always been very clear. In order to provide clarity on the matter, the proposed formula or the basis for the calculation of the levy was included in the legislation so that nobody could say that they did not understand the concept or did not know what it was to be based on. I did that to minimise any confusion that might exist about the proposition rather than including such a formula in the regulations, as was my original intention. I would need to be convinced that the formula should be expanded beyond schedule 13 administration costs, because very careful consideration was given to the range of costs that might be included in such calculations. I finally settled for administration costs on the ground that those contained in schedule 13 were the only costs of a council which could be clearly separated as between administrative costs and costs that might be attributed to the value of land, for example.

So, if you are going to have a levy based on administration costs it is important as far as possible to isolate the expenses of a council that can be clearly denoted as administrative costs. Certainly the things listed in schedule 13 provide such a basis. I would therefore need convincing that the formula should be expanded. However, if the Hon. Mr Gilfillan has arguments that he would like to put to me I will certainly listen to them. I do not wish to comment any further on the contributions made by other honourable members, although a number of things should be replied to. However, due to the lateness of the hour I will make my contribution as brief as possible.

Now that this legislation is passing Parliament I hope that members opposite will accept the umpire's decision, because it has the support of the majority of members of Parliament. I hope that members opposite will now accept that and stop making abusive criticisms against members of the LGA and members of this Parliament who have worked very hard to bring about a satisfactory conclusion to the negotiations on this Bill. I also hope that they will let councils and the Government get on with the business of implementing what could be described as the most important reform that has taken place in local government in the past 50 years.

I conclude by giving local government the last word on this matter, as it were. I quote from the opening paragraphs of a statement issued today by the LGA on this Bill.

The Hon. R.I. Lucas: Who is it from?

The Hon. BARBARA WIESE: It is a press release from the LGA. It does not say exactly who it is from, although it does suggest that further information can be obtained from Councillor Price, Mr Hullick or Mr Russell. As I have said, it is a press release on behalf of the LGA, and it reads in part:

> The Local Government Association of South Australia has welcomed the amendments to the Local Government Act as a good result for local councils and their communities. The President of the LGA, Councillor Kenneth Price, said today that the Bill amending the Act which was finalised by Parliament today recognised the growth, development and maturity of local government achieved over the past decade and was a significant step forward. 'The Bill has broadened the potential fund raising base of local government and should be seen as a real achievement given the pressures in a time of economic constraint,' Councillor Price said. It will add to the ease of decision making and enhance administrative processes to increase the efficiency of services delivery to the community. One of the bonuses available to councils will be the ability to charge rates on a quarterly basis instead of the current annual system. It is now more than 50 years since the whole Act was reviewed, and many of these changes have been long overdue.

The press release goes on to discuss various other things. I think it is important to acknowledge that the LGA has welcomed the passage of this legislation. Obviously not all aspects of the legislation are satisfactory to the LGA; nor are all aspects of it satisfactory to the Government. However, I think we all recognise that what has come from the conference has been a reasonable compromise on some important issues. I for one look forward to working with local government over the next few years in realising the potential of these very far-reaching provisions of the Bill.

The Hon. DIANA LAIDLAW: I did not intend to rise to have the final say in this debate, but following the Minister's selective quoting from that press release I feel that I must do so. When the Minister was quoting in part from the press release I asked her whether it made any reference to the minimum rate, but she sought to ignore me. I presume that it does, and I am sorry that she quoted

that press release without putting those remarks in perspective.

I will make three short points. First, in respect of the suggestion and insinuation that the Liberal Party is being irresponsible in following the wishes of the majority of local councils on the question of minimum rates, I point out that the Liberal Party and I have always argued that the Minister, rather than casting slurs on councils and accusing them of wrong-doing in terms of having a higher percentage of assessments than she would wish in respect of the minimum rate, should have taken those councils to court to prove this point, rather than continue in the fashion, first, of seeking to abolish the minimum rate and, secondly, agreeing to have this most unsatisfactory situation, which will ultimately please no-one in respect of this arbitrary provision of 35 per cent of assessments.

In respect of this 35 per cent of assessments, the Minister referred to the statement that councils would be irresponsible if they moved up to 35 per cent. Why would they be irresponsible? There is nothing in the Bill to suggest that that is not what we would condone or encourage. The Bill says 35 per cent. It is there: they can not only move up to that level within four years as other councils move down, but other councils can continue to move up to that level of 35 per cent well beyond the period in which other councils must reach that level. There would be nothing irresponsible on the part of any council which chose to do so, and to suggest otherwise completely denies what the conference agreed to in this matter.

Lastly, just on this service charge, it is very disappointing that we have an unsatisfactory provision coming out of this conference, because it will not be attractive to local councils if the Minister continues to refuse to put into regulations anything other than schedule 13 costs. It is a great pity that we now have a situation of a compromise by the Democrats back to a maximum of 35 per cent of assessments for minimum rates and, really, a situation at the same time in respect of the service charge, that will not encourage those councils to whom it is dictated that they must move back to this 35 per cent. They will not find a service charge in the form proposed by the Government in regulations as an attractive option.

The Council divided on the motion:

Ayes (11)—The Hons G.L. Bruce, J.R. Cornwall, T. Crothers, M.J. Elliott, M.S. Feleppa, I. Gilfillan, Carolyn Pickles, T.G. Roberts, C.J. Sumner, G. Weatherill, and Barbara Wiese (teller).

Noes (10)—The Hons J.C. Burdett, M.B. Cameron, L.H. Davis, Peter Dunn, K.T. Griffin, C.M. Hill, J.C. Irwin, Diana Laidlaw (teller), R.I. Lucas, and R.J. Ritson.

Majority of 1 for the Ayes.

Motion thus carried.

SEXUAL REASSIGNMENT BILL

In Committee.

Long title.

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

Page 1, lines 10 and 11—Leave out heading.

Perhaps it is appropriate to identify the scheme of my amendments, because a number of the amendments are related to each other. Whilst we will undoubtedly put them separately, it would be helpful to appreciate the scheme of my proposals. What the Bill does is provide for the establishment of a board which would comprise eight people who could sit in two divisions—one the adult reassignment division, the other the child reassignment division—and to be responsible for the granting of recognition certificates which would then be produced to the Registrar of Births, Deaths and Marriages for the purpose of being registered, and, under the Bill, for a new certificate of birth as amended to be issued.

Under the Bill the board would have the responsibility of approving a hospital which could carry out the reassignment procedure (which is defined in clause 3) and of approving a medical practitioner to carry out the reassignment procedure. The scheme of my amendments is that we get rid of the board. It is unnecessary and it creates a substantial bureaucratic structure for dealing with something that will be relatively rare and would presumably, in terms of its structure, require funding and servicing—altogether unnecessary in the context of the four or five procedures that presently occur each year which, as I indicated during my second reading speech, I am informed will be reduced to nil once the Flinders Medical Centre has achieved 30 procedures and sets about assessing the effect of those procedures.

My proposal is to get rid of the board and, as I understand the amendments that the Attorney-General has circulated, he also now agrees that the board is unnecessary and that the responsibility for issuing recognition certificates should rest with the courts. When we come to the relevant part of the Bill I will be proposing that magistrates authorised by the Governor after consultation with the Chief Magistrate should be the persons who make the judicial determination whether or not a recognition certificate should be issued.

I want to get rid of the board from the area of approval of hospitals which may undertake a reassignment procedure, and in the context of it approving medical practitioners who may undertake a reassignment procedure. The Bill provides:

'reassignment procedure' means a medical or surgical procedure (or a combination of such procedures) to alter the genitals and other sexual characteristics of a person, identified by birth certificate as male or female, so that the person will be identified as a person of the opposite sex and includes, in relation to a child, any such procedure (or combination of procedures) to correct or eliminate ambiguities in the child's sexual characteristics.

I do not believe that there is any need to have any authority approving a hospital or a medical practitioner who can carry out those reassignment procedures. Adequate mechanisms are already in place to ensure that there is no malpractice. Hospitals in their general work are overseen by the Health Commission and the professional conduct of medical practitioners is overseen by the Medical Board. Also, the accreditation procedures will more than adequately ensure that medical practitioners do not practice outside the level of their competence.

Therefore, I see no reason to have the board or even the court involved in the approval process. There are other aspects of the Bill that I seek to amend and it would be appropriate to deal with those when we come to the relevant clause. However, I thought that it was appropriate to identify the scheme of my amendments which is designed to make the whole procedure much less dependent on a very significant bureaucratic structure. My amendment to leave out the heading is really related to the fact that there will not be many headings and sections in the Bill, and that the reference to 'Preliminary' is not really necessary. I will not regard this as a test case but, on the other hand, I do not believe it is necessary to have lines 10 and 11 left in the Bill.

The Hon. C.J. SUMNER: I suggest that this matter be treated as a test case because there are basically two schemes. The Government has accepted that the matter probably can be dealt with without a board. Although it certainly does

not agree that it is a bureaucratic solution, it would not have had to meet very often, it would not have been very expensive, and therefore does not seem to me to have been a major problem. However, on the basis that if one does not have to create a board and we can find another way of doing it, I have placed amendments on file which go along with the proposition that the board not be proceeded with.

So there is common ground on the question of the issue of recognition certificates whereby magistrates issue the recognition certificate. However, there is not common ground on the complete deregulation of these operations, which is basically the proposition of the Hon. Mr Griffin. That seems to me to be somewhat surprising, coming from members opposite who, I suspect, would be perhaps critical of these operations in any event. What the Government has tried to do is to put in safeguards to ensure that the operations are only carried out when certain criteria are met. At present those criteria are in section 14 where, in respect to an adult, it must be established that a person:

(a) is suffering from primary gender dysphoria syndrome;
(b) has attained the age of 23 years and is not married;
(c) has over a period of at least 24 months since attaining the age of 21 years—
(i) received counselling of a kind approved by the board about the consequences or possible consequences (both physical and psychological) of the procedures;
and
(ii) lived in accordance with the lifestyle appropriate to the sex with which the person seeks to be identified;
and
(d) has consented in writing to the carrying out of the procedure.

An honourable member interjecting:

The Hon. C.J. SUMNER: Yes, they knock it out because, if the Health Commission, which is my scheme, can approve the doctors and the hospitals that can do it they can place these conditions on those doctors and those hospitals as preconditions for carrying out the operation. If those criteria ought to be replaced in the legislation then I do not have a problem with that. What I am trying to emphasise is that the scheme suggested by the Opposition, somewhat oddly, it seems to me, is deregulation—

The Hon. K.T. Griffin: There is no control now.

The Hon. C.J. SUMNER: I know there is no control now. What I am saying is that there ought to be control. In other words, in the interests of the patient these criteria ought to be established before an operation is carried out. Otherwise someone might decide, without counselling, without indeed necessarily having been diagnosed as having the condition specified, a gender dysphoria syndrome, and if they have $3 000, to wander into any surgeon's office in North Terrace and say, 'I want the operation.' There is nothing either ethically or medically (or anything else) which would stop that surgeon from carrying out the operation.

What the Government wants to do is place certain criteria in either the legislation or in the conditions to ensure that the people who decide to have this operation (which, as has been pointed out, is quite an extensive one) meet the criteria and have gone through the counselling which we say is necessary. We are prepared to say that the concept of the board does not need to be proceeded with; we are prepared to say that a magistrate can issue the recognition certificates; but we do say that there still needs to be some form of regulation regarding who does the operations, where they are done, and under what conditions they are done, that is, the conditions that are presently provided in the Bill.

I would have thought members opposite, with what one might consider to be their concerns about this matter, would support the establishment by legislation or by conditions from the Health Commission criteria which would have to be met before these operations were carried out. So, yes, we agree that the board does not need to be proceeded with. However, I put to the Council (and this is where I am getting to the point of a test case) that, if the Hon. Mr Griffin accepts the proposition that this is a test case, the Hon. Mr Elliott, having considered the Hon. Mr Griffin's amendments and the Government's amendments, may be with us on this one (and I think he can speak for himself, of course). It may well be that, if he is with us, it can be taken as a test case that he accepted the Government's scheme of things or, if he votes with the Opposition, he has accepted the Opposition's scheme of things. That will make dealing with the matter simpler as we go through the Committee stage. I would ask the Council to support the scheme that the Government has put forward, which is not complete deregulation, and to reject the Opposition's proposal.

The Hon. M.J. ELLIOTT: I support the Government's intention that there should be some control over these operations. In particular, I would not like to see it being an open option that a person with money in their pocket simply walks into a doctor's office and asks for a sex change operation. It is probably a reasonable proposition that there are some controls, in particular that a person has received counselling before that step, and I accept the Government's proposition on that matter.

The Hon. R.J. RITSON: It is a matter of some regret that the Hon. Mr Elliott got the call before I did, because he has made up his mind, whereas he may be a person susceptible to persuasion by debate. First, I want to thank the Government for accepting the proposition that the board no longer be proceeded with. It is important to understand the wastefulness of legislating for something that is not happening. There was a clinic in South Australia which was doing a series of these operations—a series of 30—with the intention of long term psychiatric follow-up of those patients to see whether they were measurably happier by a number of objective criteria.

It was a sincere academic attempt to evaluate whether the operation was worth doing at all. The 30 cases were collected, they have been operated on, they are being followed up and no further operations are being done; neither is anyone else in South Australia performing those operations. It would be a matter of some futility to proceed with the creation of a mighty board to control that which is no longer occurring. I even wonder whether such operations are lawful at all, if the matter were contested.

The common law contains certain propositions that there are certain types of assaults that cannot be consented to. If you were to request a friend to cut off a hand so that you could beg, and if you consented, the consent would not mean that that person had not committed a serious assault on you. There are certain things to which one cannot consent and, if it were really contested, I wonder whether consent would negate the assault of having one's penis amputated, one's testicles removed and one's pelvic floor split to create some sort of hole. I really do wonder about that.

Be that as it may, the question then arises as to what is left to legislate about. Of course, those people and others in a different time or place who have found themselves in that situation are to be given an appropriate birth certificate under this legislation, and that is all that is necessary. What else does the Attorney wish the Health Commission to be able to control? If we look in the definition clause at 'reassignment procedures' we see that first it refers to the genital surgery which is no longer being done in South Australia but it continues to include a wide variety of

secondary procedures which might be carried out quite independently of the genital surgery.

At risk of making something like a wry comment about the Attorney and myself, something like the removal of unwanted facial hair could be a procedure that would come within the ambit of the definition of re-assignment procedures. Given that there would be a number of people already re-assigned having had the genital surgery, does he believe that any procedures of a minor cosmetic nature—touch ups, as it were—ought to be the subject of the Health Commission's deliberations?

I raise the question of codification of indications for operations in general. The Attorney read out some of the proposed codified criteria for this particular operation. There are also listed in text books and in medical journals indications for gastrectomy, indications for cholexystectomy, indications for various types of investigative procedures—these are taught and understood by the profession. Significant departures from them in practice can lead to complaints to the Medical Board about competence or lack of care, yet they are not enshrined in legislation as a codified list of indications for those operations when, in fact, humanity might be better off if some of them were.

Perhaps that is not so: perhaps my tongue is in my cheek, but really it would not seem to me to make as much sense to pass a statute listing the indications for removal of the gall bladder, which is an operation that is actually occurring in large numbers, as to pass a statute containing a list of indications for the genital surgery which is not occurring in South Australia. Here we are receiving the joyous message that the Government will not impose the board to control the surgery that no longer occurs but nevertheless it wishes to codify a list of indications for such surgery to be enshrined in the statute even though the surgery no longer occurs.

The Hon. C.J. Sumner: Or conditions.

The Hon. R.J. RITSON: Or conditions—with the Health Commission in control of that. Members have already listed the common law, the law of torts and the Medical Practitioners Act, the Federal health legislation in some respects, the general power of the Health Commission to control the nature of services as a condition of licensing of private hospitals, the particular practice of all hospitals now really having a system of delineation of privileges for medical practitioners who work in them, and an endless series of controls. I would dispute that there is no ethic controlling that matter. There are principles of ethics in the medical profession which, if flagrantly breached by inappropriate surgery—

The Hon. C.J. Sumner interjecting:

The Hon. R.J. RITSON: If the operation wase done without serious psychiatric assessment and consultation, most medical practitioners would consider it to be an unethical action. Indeed, the Medical Board may decide so if a complaint were made and depending on the evidence put before it. Ethics is a word meaning the spirit, rather than the letter, of the law. You do not find an ethic written down. If it is written down and enforced by sanctions, it is no longer an ethic: it is a rule or a regulation.

The Hon. C.J. Sumner: That is not an ethic.

The Hon. R.J. RITSON: Then I give way to the Hon. Mr Sumner to explain to me the difference.

The Hon. C.J. Sumner: There are rules of professional practice in the law profession which are ethical.

The Hon. R.J. RITSON: Being lawyers, you are probably a little more codified than we are. For instance, we have opinions expressed perhaps by the medical association and circulated amongst members that certain actions are considered professional or unprofessional, and that is not at that point a rule enforceable by sanction. It is not a statute; it is not a regulation; and it is not a condition of membership of the association. Rather, it is an opinion that, in the spirit of a certain form of practice, certain types of behaviour are to be highly regarded and certain types of behaviour are to be deprecated. That can turn into a sanction. If the evidence of one's peers is given as a result of a complaint to the Medical Board, the board can exert sanctions for breaches of medical ethics. However, that is a fluid situation which responds to each set of circumstances and does not pre-exist as a codified proscription against certain procedures. Nevertheless, it is a very real regulating mechanism that is able to respond to problems should they arise. It is a more appropriate way of dealing with matters that have not arisen than to codify the conditions in this case for performing an operation that is no longer performed in South Australia.

The idea of this additional level of Health Commission control which would embrace the minor and secondary aspects encompassed in the definition of reassignment is unnecessary and inflexible. For that reason, I thank the Minister for getting rid of the board which would have nothing to do, but regret that he does not see the wisdom of the amendment proposed by the Hon. Mr Griffin.

The Hon. K.T. GRIFFIN: I have reconsidered my position in relation to whether or not this should be a test vote. I would be happy to take it as that in the context of the Attorney-General's later amendments which will have the effect of retaining the Health Commission as a body which approves medical practitioners and hospitals. Could the Attorney-General outline specifically exactly what he has in mind? He may remember that, when he replied at the second reading stage, he indicated that he was prepared to give some further consideration to my proposals in relation to the board being abolished and the court taking over the responsibility for issuing the recognition certificate. That is really where it was left.

When I saw the Attorney's amendments on file, I presumed that he was going to leave the question of approval of hospital and medical practitioner to the Health Commission without necessarily any rules being prescribed. From what he just said, it suggests to me that he is now considering if not some formal rules relating to the prerequisites for the undertaking of a reassignment procedure then something else which would be attached to the licence of a hospital or to the approval certificate for a medical practitioner. Could the Attorney-General clarify exactly what he is proposing in relation to those approval procedures?

The Hon. C.J. SUMNER: Well, that will be a matter, if my scheme is passed, for the Health Commission. However, I envisage that the Health Commission would in fact impose on the hospitals that were so registered or the doctors so licensed to carry out these operations conditions that the operations ought not to be carried out unless the criteria that are present in clause 14 of the Bill are adopted. I suppose the advantage of leaving it with the commission without specifying any conditions is that they can be changed, depending on the state of medical knowledge.

All I can say is that when this matter was originally proposed it was considered that some criteria were desirable, and when the Bill was drafted at the standing committee comment was received from the medical profession and our Health Commission which indicated that it was desirable to place some conditions on it. However, the Bill as amended with my proposals would not actually specify those, but it would still be left to the Health Commission to determine whether it ought to impose criteria.

I imagine that it would get a group together with expertise in this area to advise it and would then prepare conditions based on that advice; or it may be that it will be advised that it does not need conditions—that people would be able to operate in the medical profession without such conditions. Certainly, the intention was that the Health Commission would impose conditions similar to those that are in the Bill on the licensed hospitals and on the medical practitioners who were licensed to carry out these procedures. I do not get much solace from what the Hon. Dr Ritson said about the ethics of the medical profession on this point, because simply it is not an issue that has been confronted by the medical profession in terms of whether or not it is ethical to carry out an operation of this kind without proper psychiatric assessment.

The Hon. R.J. Ritson: I know a number of doctors who have refused it, and every request made to a private self-employed surgeon has been refused by that surgeon and the patient has been referred to Flinders.

The Hon. C.J. SUMNER: Sure, but Flinders cannot do them any more.

The Hon. R.J. Ritson: It has decided not to do them.

The Hon. C.J. SUMNER: Yes, that is right, but for the time being it is still an operation that may be done.

The Hon. R.J. Ritson: You can ask to have your foot cut off if you want to, but whether or not it is lawful is another question.

The Hon. C.J. SUMNER: That is right. I think in an area like this it is reasonable to have some guidelines for the medical profession as to what is and what is not considered reasonable in the circumstances. It is a relatively new area in that sense, and I think that the criteria in the Bill are those under which the Flinders Medical Centre hitherto operated. I think that the medical profession would welcome having reasonable ethical guidelines spelt out by the Health Commission so that there is no doubt, when it is confronted with a situation like this, that it is acting within the ethics of the profession.

The Hon. R.J. Ritson: Do you think that the guidelines might remain the same and be re-adopted if in five or 10 years time a teaching clinic decided to start up another series and investigate the results? It might be stuck with the guidelines in the statute.

The Hon. C.J. SUMNER: Under our proposal the guidelines are not in the statute. I was prepared to discuss that, but I am happy to leave it with the Health Commission providing guidelines for the hospitals that it registers to do these operations and providing guidelines for the medicos. It would do that following consultation with a group of people who have some expertise in this area. Subject to what the Health Commission might say about it, under my scheme of things the guidelines presently contained in clause 14 are taken out, but it is not complete deregulation because the Health Commission retains the power to control the hospitals in which the operations are performed and the doctors who carry out the operations and can insist that they do them only subject to certain conditions. I think that that is not unreasonable. It provides a protection on the one hand for the doctors and, on the other hand, for the individuals who are requesting what is admittedly quite a serious procedure.

The Hon. R.J. Ritson: Hospital ethics committees would probably do that, anyway.

The Hon. C.J. SUMNER: They may.

The Hon. R.J. Ritson: There are levels of control.

The Hon. C.J. SUMNER: There may well be, but all I am saying is that I do not see that there is a problem if those working in the area want to use the Health Commission to spell out some guidelines and conditions under which these operations will be done. Frankly, I should have thought that the medical profession would welcome it.

Amendment negatived.

Clauses 1 and 2 passed.

Clause 3—'Preliminary.'

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

Page 1, line 17—Leave out the definition of 'the board'.

I move this amendment for the reasons that I have already canvassed, namely, that the proposition to establish a board is unduly bureaucratic and the function of the issuing of a recognition certificate can be more efficiently and effectively handled by a magistrate in terms of what I subsequently provide.

Amendment carried.

The Hon. K.T. GRIFFIN: My amendments to lines 19, 28 and 29, have now been resolved on the basis of the first amendment which I indicated that I would treat as a test. On the basis of the indication of the Hon. Mr Elliott who supports the Government's scheme to retain the commission, with the responsibility to approve a hospital and a medical practitioner, neither of those two amendments nor the amendment to page 2, lines 1 to 3 are now appropriate and I do not intend to proceed with them. I move:

Page 2, lines 11 and 12—Leave out the definition of 'recognition certificate' and substitute new definition as follows:
'recognition certificate' see section 4:.

The Attorney-General, in his amendment, wants to refer to section 3a for the definition of recognition certificate. The Attorney-General proposes to retain clause 4, which provides that this Act binds the Crown. I was going to remove that, but there is some basis now for leaving that in because of the reference to the Health Commission. In view of that, in relation to the definition of 'recognition certificate' I will defer to the Attorney-General's amendment.

The ACTING CHAIRMAN: You have withdrawn your amendment so at this stage we will take the Attorney-General's amendment.

Amendment withdrawn.

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

Page 2, lines 11 and 12—Leave out the definition of 'recognition certificate' and substitute new definition as follows:
'recognition certificate' see section 3a:.

I intend to move the amendments without explaining them, because I have in general terms explained the scheme and it looks as though the Hon. Mr Elliott is prepared to support it. Basically, as I said, it is for magistrates to issue recognition certificates, and the Health Commission to control the hospitals and the doctors who carry out these operations in accordance with criteria to be decided by the Health Commission. All my amendments on file give effect to that scheme. I would suggest that the quickest and easiest way to do it is for the Hon. Mr Griffin to indicate that he is not proceeding with his amendments and I will just move mine as I come to them, without the necessity to provide any explanation.

The Hon. K.T. Griffin: There are some differences that I will highlight later, but you move your amendments.

The Hon. C.J. SUMNER: What I am trying to get to is that I will not explain each amendment. If there is a question on the amendment or concerns about what it does, I will answer the questions, but I will just move the amendments, given that they fit into the scheme which I have already outlined and which the Council has already agreed in principle.

Amendment carried.

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

Page 2, lines 17 to 24—Leave out subclause (2).

This deletes the reference to primary gender dysphoria syndrome, because we are not including those criteria as conditions for the carrying out of the operations in the legislation by my scheme. That will now be left to the Health Commission.

Amendment carried; clause as amended passed.

New clause 3a—'Recognition certificates.'

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

Page 2, after line 24—Insert new clause as follows:

3a. A recognition certificate is a certificate, issued under this Act, that identifies a person who has undergone a reassignment procedure as being of the sex to which the person has been reassigned.

New clause inserted.

Clause 4 passed.

Clauses 5 to 12.

The Hon. C.J. SUMNER: These clauses deal with the South Australian Sexual Reassignment Board, with which we are not now proceeding.

Clauses negatived.

Clause 13—'Approvals.'

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

Page 5, line 30—Leave out 'Board' and insert 'Commission'.
Page 6—
Line 11—Leave out 'Board' and insert 'Commission'.
Line 17—Leave out 'Board' and insert 'Commission'.

Amendments carried.

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

Page 6, lines 18 to 20—Leave out paragraph *(b)*.

Amendment carried.

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

Page 6, line 22—Leave out 'Board' and insert 'Commission'.

Amendment carried.

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

Page 6, line 26—After 'hospital' insert 'or medical practitioner'.

Amendment carried.

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

Page 6, lines 29 to 31—Leave out subclause (8).

Amendment carried.

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

Page 6, lines 32 and 33—Leave out 'or the Board acts under subsection (8), the Commission or Board' and insert ', the Commission'.

Amendment carried; clause as amended passed.

Clauses 14 and 15 negatived.

Clause 16—'Application for certificate.'

The Hon. C.J. SUMNER: This clause deals with the recognition certificate now to be issued by a magistrate, and we oppose the clause.

Clause negatived.

New clause 16—'Applications for recognition certificates.'

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

Page 7, after line 29—Insert new clause as follows:

16. (1) The Governor may—
(a) authorise one or more magistrates to issue recognition certificates for the purposes of this Act;
(b) revoke an authorisation under paragraph *(a)*.

(2) Subject to this section, where a person has undergone a reassignment procedure (before or after the commencement of this Act and within this State or elsewhere), application may be made to a magistrate authorised under subsection (1) *(a)* for the issue of a recognition certificate.

(3) An application may be made under this section—
(a) by the person to whom it relates;
or
(b) if that person is a child—by the child's guardian.

(4) An application must be made in the prescribed form and accompanied by the prescribed fee.

(5) A copy of the application must be served on—
(a) the Minister;
and
(b) any other person who should, in the magistrate's opinion, be served with notice of the application.

(6) A person referred to in subsection (5) is entitled to appear at the hearing of the application and to make submissions to the magistrate.

(7) In proceedings on an application, the magistrate is not bound by the rules of evidence, but may inform himself or herself on any matter in such manner as the magistrate thinks fit.

(8) Where an application under this section relates to an adult, the magistrate may issue a recognition certificate if—
(a) either—
(i) the reassignment procedure was carried out in this State;
or
(ii) the birth of the person to whom the application relates is registered in this State;
(b) the magistrate is satisfied that the person—
(i) believes that his or her true sex is the sex to which the person has been reassigned;
(ii) has adopted the lifestyle and has the sexual characteristics of a person of the sex to which the person has been reassigned;
and
(iii) has received proper counselling in relation to his or her sexual identity.

(9) Where an application under this section relates to a child, the magistrate may issue a recognition certificate if—
(a) either—
(i) the reassignment procedure was carried out in this State;
or
(ii) the birth of the child is registered in this State;
and
(b) the magistrate is satisfied that it is in the best interests of the child that the certificate be issued.

(10) A recognition certificate cannot be issued to a person who is married.

(11) Proceedings under this section must be conducted in private.

The Hon. K.T. GRIFFIN: One major difference exists between the amendment that I was to have on file relating to applications for recognition certificates and that of the Attorney-General. Mine provided that a copy of the application must be served on the Minister, the Registrar of Births, Deaths and Marriages and any other person, who should, in the magistrate's opinion, be served with notice of the application. The Attorney-General's new clause requires a copy of the application to be served only on the Minister and any other person who should, in the Minister's opinion, be served with notice of the application. I took the view that, because the Registrar was ultimately required to register any certificate of recognition issued by the court, it was appropriate for a copy of any application also to be served on the Registrar.

Of course, that would then give the Registrar, under a subsequent subclause, an opportunity to appear if there were any matters on which the Registrar believed it was important that a point of view should be presented to the court. I hold the view that a person making an application for a recognition certificate should not be able to make that application without some other person—the Minister and the Registrar in my view—at least having an opportunity to peruse the application and to consider the basis on which the application is being made, and then to have an opportunity to make any other submission which might be appropriate to the court before the certificate is issued.

I would envisage the Registrar being in the position of *amicus curiae* to ensure that every relevant piece of information is available to the court as it may impinge on the application where it may not have been produced by the applicant. I do not like *ex parte* applications in these circumstances where the ultimate consequence of the application will be a registration of the recognition certificate on the birth register. It seems to me that the Minister may well be reluctant to assess it in all its contexts and for all its consequences. The Registrar, having the ultimate responsibility, may be the more appropriate person to consider that.

Will the Attorney-General indicate why he did not include the Registrar as being a person who should receive a copy of the application, and what objections he has, if any, to the Registrar being a person or an officer on whom that may be served?

The Hon. C.J. SUMNER: The opposition is principally on the basis that it is unnecessary. The Registrar will be concerned with the procedural implications of a reassignment once a recognition certificate has been issued, not with whether a recognition certificate should be issued in a given case. The Registrar of Births, Deaths and Marriages would have no cause to be served with an application, and such service would perform no useful purpose. In any event, if in an exceptional case the magistrate considered that an application should be served on the Registrar, he could require it pursuant to proposed new section 16 (5) *(b)* which provides for service on any other person who should, in the magistrate's opinion, be so served.

My advisers have spoken to the Registrar of Births, Deaths and Marriages, and he does not see that any good purpose would come from the service on him. He does not believe that he could do much that would be of use to the court if he were served with the application. It is basically on that ground that the Government objects to the amendment.

The Hon. K.T. GRIFFIN: Does the Attorney-General envisage that, where regulations are made with respect to the practices and procedures to be followed on applications to magistrates, some provision could be made in those regulations for the magistrate's attention at least to be drawn to the possibility of some other party or person being served with the application?

The Hon. C.J. SUMNER: When the regulations are being prepared, that will have to be done in conjunction with the Chief Magistrate and I will have this issue drawn to his attention in case he feels anything of that kind ought to be included in the regulations.

The Hon. M.J. ELLIOTT: I have listened intently to try to determine the purpose to be served by the proposal of the Hon. Mr Griffin, but really I am afraid that I have not heard anything in concrete terms that would convince me, at this stage at least, to support his proposal.

The Hon. K.T. Griffin interjecting:

The Hon. M.J. ELLIOTT: No, but certainly you were canvassing the option. When this Bill first came before us, there was a call for a select committee to look at this matter. It now seems that that option has proved to be unnecessary, and I suggested at the time that that was the case, but I made the observation that I was more than happy to discuss any issues which caused concern. The first approach I received from anybody about this Bill was, I think, about 1½ hours ago.

The Hon. K.T. Griffin: I didn't approach you—you approached me.

The Hon. M.J. ELLIOTT: In other words, there were no approaches at all. If one is really lobbying for one's amendment, I would have thought—

The Hon. K.T. Griffin: That's a bit uncalled for.

The Hon. M.J. ELLIOTT: No, I have commented on that before. I think it is unfortunate that sometimes matters arise in this Chamber but they are not subject at least to some discussion outside before we arrive here, so—

The Hon. K.T. Griffin: It's a matter of cap in hand.

The Hon. M.J. ELLIOTT: It is not a matter of cap in hand; it is a matter of having some sensible discussion, which most people would concede is worthwhile. I have not heard any good reasons for the changes that were canvassed by the Hon. Mr Griffin.

New clause inserted.

Clause 17—'Effect of recognition certificate.'

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

Page 8, lines 18 and 19—Leave out paragraph *(b)* and insert:
(b) is of the sex stated in the certificate.

The Hon. K.T. GRIFFIN: I support this amendment. Again, it is identical to the amendment which I have on file. This clause was of major concern to me. As it appeared in the Bill, when registered the recognition certificate would ultimately result in a new birth certificate. This amendment, along with the amendments to clause 18, will overcome the difficulties which both I and my colleagues foresaw in relation to both clauses 17 and 18.

Amendment carried; clause as amended passed.

Clause 18—'Registration of certificates.'

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

Page 8, line 22—Leave out 'if' and insert 'Subject to this section, if'.

Amendment carried.

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

Page 8, line 24—Leave out 'lodged with' and insert 'produced to'.

Amendment carried.

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

Page 8, line 25—Leave out paragraph *(a)* and insert new paragraph as follows:
(a) register the reassignment of sex;.

This was an issue, as I have just indicated, on which we were particularly strong in registering our concern as to the information that the certificate would disclose. In consequence of the amdendment, I believe that the certificate will no longer validate a lie.

Amendment carried.

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

Page 8—
Lines 29 to 32—Leave out all words in these lines and insert new subclauses as follows:
(2) A person must not produce a recognition certificate to the Registrar until at least one month after the day on which the certificate is issued (and, if an appeal is commenced against the decision to issue the certificate, until the appeal is determined).
Penalty: $2 000.
(3) A certificate produced to the Registrar under this section must be accompanied by an application in a form approved by the Registrar and by the prescribed fee.
(4) If the Registrar issues a copy of, or extract from, a register or index that shows the sex to which a person has been reassigned, a person (knowing of the reassignment of sex) must not supply the copy or extract to another person for the purposes of a law of another place unless—
(a) the laws of that other place expressly allow a copy or extract that shows a reassigned sex to be used;
or
(b) the person, in supplying the copy or extract, informs the other person of the reassignment of sex.
Line 39—Leave out 'APPEALS' and insert 'MISCELLANEOUS'.

Amendments carried; clause as amended passed.

Clause 19 passed.

Clause 20—'Appeals.'

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

Page 8—
Line 41—Leave out 'or Board'.
Line 43—Leave out 'or Board'.
Page 9—
Line 1—Leave out 'or Board'.
Lines 2 to 4—Leave out paragraphs *(d)* and *(e)* and insert new paragraph as follows:
(d) a decision of a magistrate on an application for the issue of a recognition certificate.
Lines 8 to 11—Leave out subclause (3) and insert new subclause as follows:
(3) On an appeal, the Supreme Court may—
(a) confirm, reverse or annul the decision subject to appeal;
(b) in relation to an appeal under subsection (1) *(d)*—

(i) if it considers that a recognition certificate should issue—issue the certificate;
(ii) if it considers that a recognition certificate should be cancelled—cancel the certificate;

and
(c) make any consequential or ancillary orders.
Lines 12 and 13—Leave out his heading.

Amendments carried.

The Hon. K.T. GRIFFIN: I do not wish to proceed with my amendment.

Clause as amended passed.

Clause 21—'Confidentiality.'

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

Page 9—
Lines 15 and 16—Leave out paragraph *(a)*.
Lines 19 and 20—Leave out 'office or'.

Amendments carried; clause as amended passed.

Clause 22—'False or misleading statements.'

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

Page 9, line 26—Leave out 'to the Board'.

Amendment carried; clause as amended passed.

Clause 23 passed.

Clause 24—'Age.'

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

Page 9—
Lines 38 and 39—Leave out 'any matter before the Board' and insert 'an application before a magistrate under this Act'.
Line 39—Leave out 'the Board may act on its' and insert 'the magistrate may act on his or her'.

Amendments carried; clause as amended passed.

Clause 25—'Regulations.'

The Hon. K.T. GRIFFIN: It is not appropriate for me to move my amendments. There are similarities between my amendments and those of the Attorney-General but, as hospitals and doctors are still to be subject to the approval process, it is no longer relevant for me to move for the deletion of paragraphs *(a)* and *(b)*.

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

Page 10, after line 13—Insert new paragraph as follows:
(da) the practices and procedures to be followed on applications to magistrates under this Act;.

Amendment carried.

The Hon. K.T. GRIFFIN: I do not wish to proceed with my amendments to leave out paragraphs *(d)* and *(e)*. I think it is appropriate for the Attorney-General to move his amendment. It is similar to mine, but the numbering is consistent with what he has moved already.

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

Page 10, after line 16—Insert new subclause as follows:
(3) A regulation may only be made under subsection (2) *(da)* on the recommendation of, or after consultation with, the Chief Magistrate.

Amendment carried; clause as amended passed.

Title passed.

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

That this Bill be now read a third time.

The Hon. K.T. GRIFFIN: The Bill, as it comes out of the Committee, is a very much improved Bill on that which was introduced into the Council. As I indicated during the Committee stage, there are some differences of view between the Government and the Opposition on the necessity for the Health Commission to be involved with the approval of the hospitals which may undertake a reassignment procedure and for the approval of doctors who may undertake those procedures.

However, apart from that there is now substantial agreement on the form of this legislation which will enable those who have undergone these procedures to at least have the opportunity to apply to the court for some recognition of the fact that they have undergone the procedure. I suppose there can still be some reservations about the way in which the scheme will operate, but I suggest to the Council that the Bill as it emerges from Committee is a significant improvement on that which went into Committee, and I indicate support for the third reading on that basis.

Bill read a third time and passed.

ROYAL COMMISSIONS ACT AMENDMENT BILL

Returned from the House of Assembly with an amendment.

STATUTES AMENDMENT (COAST PROTECTION AND NATIVE VEGETATION MANAGEMENT) BILL

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

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

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

The aim of this Bill is to remove the requirement for the Presiding Officer of the South Australian Planning Commission (SAPC) to be the presiding officer of the Coast Protection Board and the Native Vegetation Authority. The Presiding Officer of the South Australian Planning Commission currently has a number of additional roles including being presiding officer of the Coast Protection Board, the Native Vegetation Authority and the Advisory Committee on Planning. Parliament has already agreed to an amendment to the Planning Act 1982 removing the statutory requirement that the commission presiding officer be also the presiding officer of the Advisory Committee on Planning. This Bill additionally breaks the statutory nexus between the SAPC and the Coast Protection Board and the Native Vegetation Authority and as a result removes the need for the Government to employ a single full-time person to act as presiding officer of these bodies.

The provision requiring the presiding officer of the SAPC to also be presiding officer of the Coast Protection Board is a carry-over from the time the board was established in 1972, when it was envisaged that the board would have a far greater coastal planning function than has proved to be necessary. As such, the presiding officer of the then State Planning Authority (SPA) became the board's presiding officer. With the introduction of the Planning Act in 1982 and the replacement of the SPA by the SAPC, the presiding officer of the SAPC became the presiding officer of the board. However, following a recent review of coastal management in South Australia it has been decided that it is unnecessary to continue this nexus, particularly in view of the fact that the planning and environment issues are now efficiently combined in one department. Instead, the Bill provides that the presiding officer shall be appointed from the membership of the board. In addition, the Bill provides that a replacement member of the board will be the Director-General of the Department of Environment and Planning or his nominee.

Similarly, the current requirement for the presiding officer of the SAPC to be the presiding officer of the Native Vegetation Authority is a carry-over from the previous

placement of the native vegetation clearance controls in the planning system (subject to regulations under the Planning Act 1982). The review team which reviewed the first 12 months operation of the Native Vegetation Management Act recommended, amongst other things, that this nexus was no longer necessary. Instead, the Bill provides that the presiding officer of the authority shall be appointed by the Minister.

I bring these changes to Parliament at this time as the current presiding officer of the SAPC has been nominated for a new position. I take this opportunity to express to Parliament my sincere gratitude to Mr Stephen Hains, who has carried out all these roles in an exemplary manner. Indeed, as a result of his undoubted skills, he has been nominated to the very important position of Director of the Planning Division in the Department of Environment and Planning and as such will take on the new role of developing rather than implementing planning policy.

Clause 1 is formal.

Clause 2 provides for the commencement of the measure.

Clause 3 amends section 8 of the Coast Protection Act 1972, which provides for the membership of the board. The section provides that one member of the board will be the Director-General of the Department of Environment and Planning or a person nominated by the Director-General. In addition, the section makes provision for the Governor to appoint one of the members of the board to be the presiding member of the board. The clause further provides consequential amendments to the Act, by striking out 'Chairman' in sections 9 and 13a of the Act, and substituting 'presiding member'.

Clause 4 makes the changes to the constitution of the authority that have already been mentioned, and also provides for the deputy of the presiding officer to take the presiding officer's place at meetings of the authority.

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

ABORIGINAL LANDS TRUST ACT

The House of Assembly transmitted the following resolution in which it requested the concurrence of the Legislative Council:

That pursuant to section 16 (1) of the Aboriginal Lands Trust Act 1966, block 1219, out of Hundreds (Copley), be vested in the Aboriginal Lands Trust.

SUPERANNUATION BILL

Adjourned debate on second reading.

(Continued from 1 March. Page 3190.)

The Hon. L.H. DAVIS: This Bill represents a victory not only for the majority of public sector employees in South Australia but also for the taxpayers of South Australia. The dramatic changes to public superannuation in this State are a direct result of public pressure exerted by the parliamentary Liberal Party over a number of years culminating in a call for an inquiry into public sector superannuation just over 3½ years ago in August 1984.

The Superannuation Bill that is now before us justifies Liberal Party attacks on the weakness of the existing scheme. It is also a victory for commonsense. It is interesting to compare the benefits of the existing scheme, which first came into operation in 1974, because it can be argued that the benefits in South Australia are more generous than in any other State in Australia, and indeed more generous than the Commonwealth public sector superannuation scheme. So, in terms of retirement benefits, South Australia heads the list in maximum pension benefits payable. The higher maximum benefit offered by Queensland has to be viewed in the light of the fact that there are high contribution rates in Queensland and a qualifying contribution period of 45 years compared to 35 years in South Australia.

So, it is true to say that not only is the public sector superannuation scheme in South Australia the best in Australia, but arguably it is the most generous in the world. Although that in itself was a cause for change, it should not be forgotten that that generous scheme had some fundamental disadvantages to which I will refer in a moment. It is also worth noting that the scheme as it existed was a voluntary rather than compulsory scheme and rather less than 30 per cent of eligible public servants were members of that scheme.

I would like to refer briefly to the history of public sector superannuation in South Australia. As I have mentioned, the fund was first established by legislation in 1974 when Premier Dunstan publicly boasted that he was determined to set up the best public sector superannuation scheme in Australia. However, from 1979 onwards the cost blowouts and disadvantages of the scheme became more and more obvious and former colleagues, such as the Hon. Don Laidlaw and the Hon. Ren DeGaris, on more than one occasion criticised the South Australian Superannuation Fund.

From May 1983, I have made several speeches attacking various aspects of public sector superannuation in South Australia. I think that it is not untrue to say that the Bill that we have now before us reflects the pressure that was exerted by the parliamentary Liberal Party over a period of time culminating in my call in August 1984 for an independent public inquiry into public sector superannuation schemes. At that time I suggested that the inquiry should look at the South Australian Superannuation Fund with respect to its structure, administration, management, investment policies, auditing requirements, the appropriateness of the benefits and the future costs of the fund. It was quite clear that the open-ended unfunded liability of the South Australian Superannuation Fund would give future generations of South Australians enormous headaches.

We should not forget when examining the South Australian Superannuation Fund, which is by far the biggest public sector fund, that there are two other major public sector pension schemes, namely, that of the Electricity Trust of South Australia and the Police Pension Fund. Whilst they are not directly the subject of the Bill now before us I think it would be appropriate for the Government to indicate the plans that it has for those two schemes.

The committee of inquiry established in 1985 reported in May 1986 and suggested that the Government should immediately close down the existing scheme. It recommended:

... in order to curtail the spiralling costs of the present South Australian Superannuation Fund, the fund be immediately closed. The fund is currently able to meet less than 17.5 per cent of the cost of benefits payable. Furthermore, the actuary considers the present contribution rates for new entrants can support only 23 per cent of future benefits as compared with a target of 28 per cent, and it is because of this that he made the recommendations either to increase member contribution rates or to reduce the benefits. The committee accepts the principle that public sector employees should meet 28 per cent of the cost of their superannuation.

So, the committee was blunt in its decision to recommend the immediate closure of the South Australian Superannuation Fund. The committee also states that reports by the actuary to the Police Pension Fund and Electricity Trust of

South Australia superannuation scheme indicated and highlighted the eventual inability of these schemes to meet costs.

It is worth reflecting that the background to the inquiry was also influenced by a report in July 1984, when the Public Actuary in his triennial review of the South Australian Superannuation Fund recommended that contributions from new entrants and existing contributors should be increased from between 5 per cent and 6 per cent to between 5.5 per cent and 7.5 per cent.

It also recommended that the State Government should contribute 82.5 per cent of pension payments in lieu of the existing arrangement whereby the Government was scheduled to contribute 72 per cent of basic pension and 93.5 per cent of pension supplements, that is, the annual adjustments for cost of living. For many years before the 1986 inquiry findings, the Government and the Public Actuary, the South Australian Superannuation Board and the South Australian Superannuation Investment Trust had been denying that there was a problem with the scheme. Indeed, in the annual report of the South Australian Superannuation Board for the year ended 30 June 1985, printed in March 1986, just months before the inquiry report became public, the board maintained this view:

Essentially, the viewpoint of the board is that the current scheme provides a reasonable framework but modification should be made in a number of important areas such as improvement of refunds, larger lump sums on commutation, full vesting associated with full preservation, etc.

It still believed that the current scheme was workable. Of course, the inquiry found otherwise. It is also worth noting that in the long-term projections of the cost of the South Australian Superannuation Fund prepared by the then Public Actuary, Ian Weiss, in 1981, he stated:

The projections clearly demonstrate that the concern is unfounded, that the unknown ultimate cost of the scheme to the Government might prove an unmanageable burden.

Yet, in 1984, just three years later, we have the proposal to increase contribution rates from fund members to quite an unacceptable level. So, the arguments from the Liberal Party, from the Hon. Don Laidlaw and other members down to 1984, clearly demonstrated the accuracy of the observation that the South Australian Superannuation Fund was becoming a millstone around the necks of South Australian taxpayers. It is also interesting to note the Agars committee of inquiry that reported in May 1986 basically agreed with the criticisms levelled in the preceding three years and added a few of their own.

One was particularly damning. In examining why so few people belonged to the South Australian Superannuation Fund—less than 30 per cent of public servants who were eligible were in the fund—they said that the fund had not been actively promoted among public servants because of additional costs to the Government in meeting benefits. In other words, the Government had deliberately sought to avoid promoting the fund to keep down the cost.

The Agars committee also expressed criticism about the investment performance of the fund. I will quote from the report of William Mercer, Campbell, Cook who were asked to comment on the investments of the fund for the inquiry. Mercer, Campbell, Cook had this to say on index linked long-term investments which dominate the investment portfolio of the South Australian Superannuation Fund Investment Trust:

There is no apparent recognition that an unduly passive approach to managing the fixed interest sector will have a deleterious effect on the returns achieved on that sector and thus on the overall return on the whole portfolio. The significant deregulation of the Australian financial market means greater volatility in interest rates both over time and over the period to run until maturity. To achieve acceptable returns on its fixed interest portfolio the trust must therefore be prepared to adjust the mean term to maturity of its holdings.

While an index linked stock provides a significant measure of immunisation against inflation linked movements in liabilities, above average investment returns will not be achieved without active management of the sector as the value of the stocks will still show movement although with much less volatility than an unlinked stock for a corresponding term.

They go on to be most critical of the investments of the trust. They say that insufficient details of investments and holding costs have been disclosed to allow comparisons to be made of performance. While the committee attempted to undertake a comparative study of performance, it found that SASFIT (the South Australian Superannuation Fund Investment Trust) was unable to provide data readily in a suitable form. Finally, on the investment policy of the investment trust, Mercer, Campbell, Cook—well respected actuaries—had this to say:

Basically our analysis of the trust's performance over the full six year period revealed that it had on average substantially underperformed the results achieved by private sector funds. The relative situation has improved substantially over the past three years compared to the previous three.

The trust's investment policy will result in an overall investment portfolio that is relatively inflexible in the face of future possible adverse experience in the sectors it is concentrated in. Both property investments and the index linked loans have relatively low marketability.

When other attractive investment opportunities present themselves the fund may be precluded from obtaining the benefits of an appropriate exposure because the low marketability of its property investments prevents the necessary funds being made available. This would not be the case with a share or Commonwealth bond portfolio for which a ready market always exists.

There were many criticisms associated with the Superannuation Fund Investment Trust and those criticisms were expressed in very blunt terms by the Agars committee of inquiry. One of the other matters was the dilatory reporting—that the South Australian Superannuation Fund had from time to time been extraordinarily slow in providing its reports for public scrutiny.

One other criticism levelled at the time I called for an inquiry into public sector superannuation was the fact that the Public Actuary was in a most difficult position because he was required to wear three hats. As I said at that time, he wore more hats than Elton John. As President of the Superannuation Board, he was the administrative officer of the board. Although he was described in the Act as being the actuary to the board he was also the Chairman of the South Australian Superannuation Fund Investment Trust, which managed and directed the investment of the trust. Thirdly, the Public Actuary was required to investigate the state and sufficiency of the fund. In each of these three conflicting roles the Public Actuary was required to forward a report to the Treasurer—an annual report on behalf of the board and the trust—as well as conducting a triennial review of the fund.

That unsatisfactory situation was partially remedied by amendments to the Superannuation Act, and I am pleased to see that it has been fully redressed by this Bill for a new Act which, of course, repeals the Superannuation Act 1974. One of the great difficulties which the South Australian Superannuation Fund had was the fact that it was the most generous scheme in Australia, if not in the world. I seek to incorporate in *Hansard*, without my reading it, a purely statistical table which underlines the extraordinary increase in the pension and supplementation programs by the State Government from 1976-77 to 1987-88.

Leave granted.

SOUTH AUSTRALIAN SUPERANNUATION FUND
Pension and Supplementation Payments by the State Government

	$'000
1976-77	14 585
1977-78	18 421
1978-79	22 909
1979-80	26 902
1980-81	31 887
1981-82	37 588
1982-83	45 236
1983-84	53 770
1984-85	60 188
1985-86	67 946
1986-87	77 707
1987-88 (Est.)	93 000

The Hon. L.H. DAVIS: This table indicates that Government contribution—that is, taxpayer contribution—to the South Australian Superannuation Fund increased from $14.6 million in 1976-77 to $37.6 million in 1981-82 and to $60 million in 1984-85. In the last three years it has exploded by over 50 per cent to an estimated $93 million for the current 1987-88 financial year. It does not bear thinking about what the extraordinary increase in costs to the Government and the taxpayer would be if we had not 30 per cent of public servants in the scheme but a proportion closer to 100 per cent.

Notwithstanding the fact that the old scheme was a most generous one, it did have some very severe disadvantages. First, the optimal entry age to the fund was 30 years of age and, if a contributor to the fund contributed for 30 years and then retired at age 60, they would receive the maximum pension benefit. But the age of 30 was a magical and inflexible figure. It became unattractive for younger employees. For example, if an employee joined the fund at 20 years of age and then left it at 29 years of age, they would not be entitled to any deferred benefits, because they had no years of service beyond 30 years of age. It militated against portability, mobility in the work force, and movement between the public and private sectors. In that scheme the employees had to wait until they reached 55 years of age before they could obtain the employer contributions, so it was a very inflexible scheme. Once you joined it, if you wanted to receive the benefits of it, you were locked into it until 55. Quite clearly, it is more equitable, in constructing a superannuation scheme, to have a scheme which benefits the employee in terms of the number of actual years of service rather than the age of entry or exit from the scheme.

Another severe disadvantage also attached to the South Australian superannuation scheme when it was first introduced in 1974 and it remained there until the present time—there was a lack of flexibility in contribution rates. Young people starting off in the Public Service and who wanted to provide for their future security were discouraged by the fact that they had to pay a minimum of 5.5 per cent or 6 per cent in contribution rates, whereas private sector schemes provided for flexibility where people could perhaps opt to pay a smaller percentage of their salary or wage into the superannuation scheme. That was another factor which militated against the scheme's popularity, notwithstanding the fact that it was a most generous scheme.

Having provided some background to the existing scheme, I refer to the importance of superannuation in Australia and then I will look at aspects of the new scheme. One of the most important debates that we are having in Australia and will continue to have in the years leading to the next century relates to the provision of security for the rapidly increasing number of ageing people in Australia. Whereas in 1983 only 10 per cent of the population was over the age of 65, by the year 2021 nearly 16 per cent of the population will be over the age of 65. That matter is of special importance in South Australia, because already 11.6 per cent of our population is over the age of 65 and that is about 1 per cent higher than the national average.

Although the number of people in the traditional working age group (I talk about that in terms of people from 15 to 64 years) will remain constant at around 65 per cent or 66 per cent of the work force between the years 1983 and 2021, there is clearly a shrinkage in the number of people projected in the nought to 14 age group, as birth rates fall off. So, we have an ageing population which will perhaps be supported by a smaller body of taxpayers.

With State and Federal unfunded accident, compensation and superannuation schemes together with increasing welfare payments, there is an important economic consideration: how do we provide justice and equity and security for this rapidly increasing ageing population? The Government-run superannuation schemes have been subject to a great deal of criticism. Generally, they have been run on an unfunded basis, that is, we are paying current benefits out of current revenue and, as the financial liabilities that are being incurred now are not being brought into account until time of payment, no provision is being made for the eventual liability for these benefits.

We are therefore mortgaging future generations with current superannuation commitments. The unfunded scheme may be very well for this generation, but it will mean that a future generation will have to pick up the tab. One after another, the Australian States have recognised the problem. In New South Wales the size of unfunded liabilities has been estimated to be in excess of $8 million, and the Government has announced plans to abandon the indexed superannuation benefits. It has pulled back from that scheme, and in other States, for example, in Victoria, there have been similar moves.

This Bill reflects that trend, recognising the generosity of public sector super schemes and the enormous future burden for taxpayers if these schemes are not adjusted. Madam President, it is interesting that in 1888 persons aged 65 years and over represented only 2.4 per cent of the Australian population. By 1971 that had increased to 8.4 per cent; in 1981 it was 9.7 per cent; and in 1983 it was up to 10 per cent. In South Australia in 1988 it is up to 11.6 per cent and over the next 25 years that figure will increase significantly. A combination of people born after the Second World War and the influx of migrants in the late 1940s and early 1950s will see Australia's over 65 population surge to close to 16 per cent of the total population by the year 2021.

We should not take this figure out of perspective. I do not want to be alarmist in raising the matter, because many countries in Europe and the Americas have over 12 per cent or more of the population 65 years of age. However, the greying of Australia does focus attention on the need to make proper provision for people in their retirement years. That includes appropriate housing, health services and geriatric care.

Also, special issues are associated with the ethnic aged. For example, by the turn of the century, about 60 per cent of both Greek and Italian born Australians will be 65 years of age or over. We should recognise also that there has been a change in life style and working habits in Australia over the past 20 years. Whereas four out of five men aged 60 to 64 years were employed in the work force in 1966, that figure had dropped to 50 per cent by 1982. In other words, in 1966, 80 per cent of the 60 to 64 year old male age group were in the work force. That figure had fallen to 50 per

cent by 1982. The figure now is less than 45 per cent and falling.

People are not only retiring earlier, voluntarily or otherwise, but they are also living longer. There has been a significant shift in longevity tables. The Minister of Health may correct me if I am wrong, but there has been at least a one to two year movement in longevity for both males and females just in the past 15 to 20 years.

In providing a solution to this need for security we are faced with two options. There is the model of the national superannuation scheme, first proposed by Robert Gordon Menzies as far back as 1939 and, ironically, in Liberal Party policies for nearly four decades thereafter. Indeed, some European countries and New Zealand have a national superannuation scheme.

Australia, notwithstanding the Hancock committee of inquiry, seems destined not to take that route. I believe that is not the appropriate route to take. I am a staunch advocate of encouraging people to provide for their own security. It is not only more cost effective but also provides an element of responsibility. People have not only a right to security in their retirement but also, if they are able to, an obligation to provide for that security.

Taxation systems in Australia, through proper legislation, should be structured to encourage people to provide for their security in their years of retirement. I do not believe that the taxation system here provides sufficient encouragement for that, particularly for self-employed people. There is also the dilemma of what sort of provision should be made for retirement in private and public sector schemes. Invariably, we find that the private sector schemes have lump sum payments. They do not provide for pensions on retirement. The reason for that is clear. Pensions are actuarily more expensive than lump sums.

It is in the public sector, at least until recently, that we have seen pensions as the most common method of providing a benefit to an employee on retirement. Certainly, in the South Australian scheme, there was an option to commute up to 30 per cent of the pension and take it by way of lump sum, but the pensions in the public sector schemes have been fully indexed for cost of living described as supplementation. It is this cost of living adjustment which has been extraordinarily costly to taxpayers.

[*Midnight*]

It is interesting to see that the proposed new scheme provides not for an indexed pension but rather a lump sum. I do not want to buy into the argument of lump sum versus pension—that is a Federal issue. However, it is worth quoting an article on superannuation in the *Australian Accountant* of August 1986 by Geoff Duncan, Senior Manager of Superannuation Services of Coopers and Lybrand, who states that the Federal Government had a fundamental concern with its lump sum mentality. Mr Duncan states:

> Australia is the last of the Western nations in which the tax system encouraged people to take superannuation in lump sum form and then to either spend it or bury it so they were able to qualify for the pension.

Of course, he is referring there to the ability of people to double dip, in other words, to take a lump sum, spend it and then come back into the system and qualify for the pension. That abuse can be minimised by proper legislation.

There has been a predilection in Australia for taking retirement benefits as a lump sum and then double dipping by coming back into the system. To some extent that has been stamped out by the assets test. I do not want to declare a position on this, except to say that the lump sum scheme at first sight appears to be incompatible with the long term aim of superannuation which is to provide income for retirement. However, as the Agars committee of inquiry rightly pointed out, the pension is much more costly, and cost is a prime concern to Government.

I also recognise that there are many people in retirement who have worked hard to buy a house and to provide benefits for their children who rightly deserve some money perhaps for a trip away or for an overdue addition to a house. So, I think that the proposal in this Bill to change the existing scheme so that they can commute up to 50 per cent of the pension is quite a reasonable compromise. It is important to encourage retirees to use their lump sum appropriately to provide for their retirement, because that is the fundamental aim of superannuation. We must ensure through education and, if necessary, through legislation that lump sum payments which are now in vogue in Australia—in both the public and private sectors—are taken and invested in an appropriate fashion to provide security in retirement and to overcome the temptation and perhaps even the tendency of people to come back into the system and double dip by also taking an age pension.

I turn briefly to the performance of the South Australian Superannuation Fund. There has been substantial, and I believe justified, criticism of the investment performance of the South Australian Superannuation Fund. Certainly as far back as 1980 my former colleague the Hon. Don Laidlaw criticised the South Australian Superannuation Fund for having few if any investments in equity shares. Certainly, with the sharp downturn in equity shares following the Wall Street collapse in October 1987, some been people have gleefully pointed out that the South Australian Superannuation Fund had very minimal investments in equity shares and therefore suffered a minimal reduction in the value of its assets.

But that begs the undeniable fact that in the preceding 12 years from 1975 there had been more than a tenfold increase in the value of equity shares on the Australian share market. The benefits were obvious upon examining the returns of insurance companies and other major institutions which were in the superannuation market. I will give members an example of how well some companies have performed. Mercer, Campbell, Cook and Knight examined the five-year performance to November 1987, that is, after the crash, which showed that there were a number of companies, large groups such as ANZ, BT, Zurich, Australian Eagle and Wardley, which all had a 24 per cent plus annual compound growth over the five years to November 1987. Even after taking into account inflation, there were very high real investment rates.

It is interesting to note that in those five years to the end of 1987 the real return for major fund managers was 16 per cent, which was higher than in any other recent five-year period. But the benefits were considerable and they exceeded by a large margin the increase enjoyed by the South Australian Superannuation Fund.

It is also worth noting that the Association of Superannuation Funds of Australia conducted a survey in 1987 of both private and Government superannuation funds. It showed that the assets of both Government and private superannuation funds in 1985 were $50 billion. In the past two years that figure has grown significantly with the introduction of union and industry superannuation schemes which have attracted thousands of new investors. I want to say I welcome that because South Australia still has only about 50 per cent of its work force in superannuation schemes. That figure is far too low and I am particularly concerned to see that there is still a very small percentage of women in the work force who are in superannuation schemes.

The results of the 1985 survey are very interesting. It covered 342 private superannuation funds and 33 Government superannuation funds. The lump sum scheme remained popular within the private sector schemes, with only 10 per cent of private superannuation schemes offering pension benefits, compared with 64 per cent of Government schemes. Some of the biggest changes were in the composition of Government sponsored superannuation funds; in other words, the breakdown of the assets of those funds. In the five-year period from 1980 to 1985, Government superannuation funds reduced their fixed interest holdings from 63 per cent of total assets held to 35 per cent; that is, fixed interest holdings, Commonwealth bonds, semi-governmental securities and company debentures where there was no growth in asset values except by way of an interest rate movement which might have enabled them to make perhaps minimal capital profits.

Whilst they were reducing their fixed interest holdings from 63 per cent to 35 per cent in the period 1980 to 1985, they had increased property assets from 13 per cent to 22 per cent, and their investments in equity shares rose from 18 per cent of total assets to 24 per cent of total assets in 1985. That is a sharp contrast to the South Australian superannuation scheme. I have said more than once that the then Public Actuary appeared to be having a love affair with property. SASFIT has consistently eschewed the investment in equity shares. Notwithstanding the downturn in 1987, I believe that the investment performance of SASFIT has been badly affected by its failure to invest in equities over that period of time.

The inquiry into South Australian public sector superannuation, which was made public in May 1986, made a number of important observations. It is not my intention at this late hour to refer in any detail to them, but it is worth noting again that the Agars committee was particularly critical of the investment policies of SASFIT and, in recommendation 60, stated:

> The committee recommends that the South Australian Superannuation Fund Investment Trust, in seeking more avenues and greater flexibility of investment, be mindful of the portfolio management services available from the private sector, life offices, merchant banks, as well as professional advice obtained on a fee paying rather than a gratuitous basis.

That is more than a strong hint that they really should be looking at outside advice on their investment policies. In more detail on page 107, it says:

> It is recommended that the trustees of the Superannuation Fund Investment Trust, in examining the resources needed to undertake the staffing of the trust and in seeking more avenues and greater flexibility of investment, for example, a larger involvement in company shares if this seems appropriate, be mindful of the portfolio management services available from the private sector life offices, merchant banks, as well as professional advice obtained on a fee paying and not a gratuitous basis.

That point is reinforced. It is interesting to see that in Victoria the Government has actually brought the State superannuation fund into the arena of taking advice from private sector managers. In fact, it has gone further than that. The State superannuation funds in Victoria are in many more hands than ours, which are in three major public sector superannuation schemes (namely the South Australian Superannuation Investment Fund and the Electricity Trust and Police Pension Funds). The State superannuation fund schemes in Victoria control about $1.5 billion, and the funds there were going to be encouraged to employ private sector fund managers which, together with wider investment powers they were given, should significantly improve returns.

The new investment rules will allow the funds to invest in equities to place up to 20 per cent of assets off-shore, to trade in debt instruments, to enter into options and futures contracts and so on. The exact mix of State superannuation funds will be subject to guidelines set by Treasury. It is interesting to see that some of those funds appear to be under private sector management. That report was in the *Financial Review* back in June 1987. I have not as yet had an opportunity to follow that through to see to what extent private sector management is involved in public sector superannuation funds in Victoria, but certainly in Committee I will be asking the Government whether it has any intention of taking up the very good suggestion of the Agars committee in that respect.

The other point made by the Agars committee was that it believed the new scheme should be set up for new entrants, being fully funded by employers and employees, with employers liability being limited to 72 per cent of the total cost. They do not elaborate on that point accept to say that the majority of the committee proposes a fully funded lump sum scheme with a facility to purchase a pension benefit from the fund at the date of retirement. However, the Government does not propose a fully funded lump sum scheme and that is again a matter of concern that I will certainly be raising in Committee.

I turn finally to look at the new scheme. I say at the outset that the Government has consulted fully and widely on this, in sharp contrast to some of its more recent efforts, and has taken advice from the Public Service Association and the South Australian Institute of Teachers. It has had the benefit of a very thorough and excellent report presented to it by the Agars committee in May 1986. The horse has been slower into the barrier than was at first expected. The Government had at first intended that the new scheme would be up and running on 1 January 1988. The starting date is now 1 July 1988. It should be fully understood that through this new Bill (which seeks to repeal the Superannuation Act of 1974) nevertheless the existing scheme will be carried on although it was frozen and cut off to new entrants from 30 May 1986. It will be joined together with a new scheme which will be a lump sum scheme, and with a contribution structure much more in line with the private sector.

The elements of the new scheme are that the employer (that is, the Government) will contribute up to 13 per cent of salary and the employee on average would be expected to contribute 6 per cent of salary. One of the design features of the new scheme that makes it so attractive is that employees will be able to contribute anywhere between 1.5 per cent and 9 per cent of salary. The maximum benefits are based on a contribution of an average of 6 per cent of salary. Certainly the ability of employees, particularly younger employees, to contribute as little as 1.5 per cent of their salary or wage will encourge greater participation and, of course, the ability to be flexible in contributions will also be a stimulus to entry and a positive encouragement to women to enter the scheme.

It is arguable to say that the cost of the superannuation scheme will be reduced per head as more workers come in. This new scheme is based on a 13 per cent contribution by the employer with an average 6 per cent contribution by the employee, and the maximum benefit for an employee will be seven times the final salary after 35 years membership and a retirement age of 60 years. That assumes a maximum contribution by the employer—that is, the Government—of 4½ times salary.

That retirement benefit is generous. Private sector actuaries (whom I consulted) believe that this scheme would rate in the top 25 per cent of private sector schemes, and perhaps it could be argued that it would rate even in the top 10 per cent. For instance, the maximum benefit for an

employee on retirement under the proposed scheme is seven times final salary. In the private sector invariably it would be an average of the final three years of salary which, of course, would not be as generous as just the final year of salary. I accept that in the Public Service, where fringe benefits are not as generous as in the private sector, one should have an attractive salary and superannuation package. There are not the same benefits in the public sector as exist in the private sector.

The other attractive aspect of this scheme is that the lump sum is less costly and easier to monitor. The Government recognises the deficiencies of the existing scheme and has sought to overcome some of the worst aspects of it. For instance, it is proposed to increase the percentage of a pension that may be converted to a lump sum. As the second reading explanation admits, it is cheaper in the long term for the Government to pay lump sums than fully indexed contribution pensions, spouse pensions and children's pensions.

There is encouragement for people who wish to convert to a lump sum, and the maximum of 30 per cent commutation in the existing scheme is lifted to 50 per cent. The new scheme has some attractive features. For example, children's benefits are to be paid as allowances rather than in a lump sum because, I think quite properly, the Government believes that that is the best way of providing a benefit for children.

I am pleased to see that in the new scheme there is a careful monitoring of those seeking to retire early on the grounds of invalidity. The second reading explanation makes the point that no employee will be able to be retired on invalidity by an employer unless the Superannuation Board agrees to retirement. The emphasis under the new scheme will be on rehabilitation and training. Emphasis is also given to the preservation of benefits, and that is a major feature of the new scheme. Whereas under the old scheme there was no encouragement for a member to resign from the Government before attaining the age of 55 years, that is no longer the case.

People can retire before the age of 55 under the new scheme and can preserve their benefits, either within the scheme or by transferring them to certain approved schemes. That of course is an important element of flexibility and mobility which encourages interchange between the public and private sectors. Also, I believe that it will be of special attraction to women. The existing scheme also picks up some elements of the flexibility which is a feature of the new scheme. Members in future will be able to choose a level of contribution between 1.5 per cent and 9 per cent.

One of the unattractive features of the old scheme was the minimum contribution rate of 5 per cent to 5.5 per cent, which was to be increased under the proposal of the board back in 1985. I said that the existing scheme will provide an option for pensioners to commute up to 50 per cent of their pension rather than 30 per cent to a lump sum, and, if the pension is less than $8 000 per annum, the whole of the pension can be converted to a lump sum. I certainly have no objection to that.

The Opposition has made clear that it supports the general thrust of this new measure. It provides a scheme which is much more in line with private sector superannuation schemes. It overcomes some of the disadvantages of the old scheme. Also, it corrects some of the weaknesses in the old scheme. It is important to recognise that the old scheme, which was frozen in May 1986, still exists, together with this new scheme which will come into operation with the passage of this legislation. Public servants who sought to join the South Australian Superannuation Fund after the closure of the old scheme in May 1986 will be protected from the date that they joined but of course will attract the benefits that are set down for the new scheme in this legislation.

It is important to note that we do not have any knowledge of the actual costs of the scheme. There were recommendations by the Agars committee that the cash flow projections for 40 years both before and after the proposed changes and an estimate or an indication of the financial implications of the new scheme should be set out. I had been concerned that it appears, given the second reading explanation, that sufficient detail has not been given, and that will be a matter for inquiry in Committee. Also, as I have mentioned, it is important to recognise that the Police Pensions Fund and the Electricity Trust of South Australia superannuation scheme were given some attention by the committee, and I intend to ask questions about those two schemes.

Finally, I indicate to the Minister that I would like to ascertain if and when the June 1986 triennial review of the existing scheme will become public because, as far as I am aware, that triennial review has not yet seen the light of day nearly 21 months after 30 June 1986.

In summary, this is an important piece of legislation which the Opposition supports. Certainly, we will place on file a number of amendments to correct anomalies which we see in this legislation. We will also ask a number of questions, particularly relating to suggestions made by the Agars inquiry into South Australian public sector superannuation. When I first raised this matter in 1983, and again in calling for the inquiry in 1985, I said that public sector superannuation was a nettle that must be grasped. I am pleased to note that the Government has grasped the nettle; I do not believe that it will prick too much.

It remains for the Parliament to ascertain the cost of the new scheme, remembering that the existing scheme is still running, and remembering that the existing scheme has increased in cost to the taxpayer by 50 per cent in just the past three years. I hope that the Government will be equipped at the Committee stage to answer frankly those questions about cost because, undoubtedly, it will be some two or three years before the impact of this new scheme can be more accurately assessed.

Having said that, I commend the Government for this legislation and I am pleased that it has reacted positively to the initiative which the parliamentary Liberal Party undertook in setting in train the most important inquiry into public sector superannuation.

The Hon. J.C. BURDETT: I support the second reading of this Bill. I propose to speak briefly about one aspect of public sector superannuation only. On 6 November 1986 (page 1897 of *Hansard*), in explaining a question, I said:

> I understand that for some years members of the State Public Service have received no annual statements in regard to their superannuation scheme at all, whether by way of referring to their payments or their entitlement or the management of the fund. Commonwealth public servants receive an annual statement indicating their individual contributions and entitlement. There is also some sort of accounting given to each Commonwealth public servant in regard to the management of the fund. Members of Parliament will recall that we receive a comprehensive statement annually in regard to our contributions and entitlement. Superannuation is obviously and properly a serious concern for members of the State Public Service. In most cases superannuation will comprise the major part of a public servant's financial arrangements for the rest of his or her life after retirement. It seems reasonable that they should have some accounting from a Government which believes in accountability. Will the Government consider providing State public servants at all levels with a statement of their own contributions and entitlement and basic figures concerning the management of the fund annually or on some other periodic basis?

I received the answer from the Premier on 12 February 1987. It appears at page 2844 of *Hansard*, and he said:

> I agree that there is value in members of the State superannuation scheme receiving annual notices setting out their entitlements and also receiving information on the management of the Superannuation Fund. However, the Superannuation Board believes that a notice of entitlements needs to be far more substantial than that produced for Commonwealth public servants (which indicates only the employee's own accummulation and not pension entitlements).
>
> The programming for these more extensive notices is complex but has been substantially completed. I expect the first notices to be issued within a few months. As far as information on scheme management is concerned, the Superannuation Board is currently working with the Superannuation Fund Investment Trust on the preparation of a simplified annual report for issue to scheme members.

That was to be within a few months from 12 February 1987. Of course, that has not yet occurred.

I found it rather strange that the Premier has criticised as inadequate the notices which Federal public servants receive while the State Public Service provides none at all. Surely the Federal notices, inadequate as they may have been, were better than the State situation where there were none at all. I have since asked that question again, and the answer received was that the drawing up of appropriate notices and their issue had been held over pending the legislation that is presently before us. I was assured previously when I asked this question that, when the Bill was passed and the new superannuation scheme was in place, annual notices setting out members' entitlements, contributions and some accounting for the fund would be issued.

When the Minister replies to the second reading or in the Committee stage, whichever is more convenient, I ask him to answer several questions, namely, whether a proper notice will be issued annually to members of the fund. Will the notice contain details of members' contributions and entitlements and some details about the manner of investment of the fund? When is it contemplated that the first of such notices will be issued? Can the Minister provide in general terms some details about the format and the information that it will contain? Certainly as the Hon. Mr Davis has said, this Bill is an improvement on the present scheme, and members of the present scheme will be able to transfer to the new scheme and will be greatly advantaged if they do so. While there are some questions to be asked, the Bill is, as I say, an improvement and should be supported. I support the second reading.

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

ADJOURNMENT

At 12.39 a.m. the Council adjourned until Wednesday 30 March at 2.15 p.m.