LEGISLATIVE COUNCIL

Tuesday 12 April 1988

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

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

PETITION: TOBACCO PRODUCTS

A petition signed by 112 residents of South Australia concerning State licence fees on tobacco products and praying that the Council will urge the Government to not increase State taxes on cigarettes nor to increase funding for anti-smoking campaigns was presented by the Hon. J.C. Irwin.

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 now table, be distributed and printed in *Hansard*: Nos 156 and 163.

COMMUNITY WELFARE/HEALTH AMALGAMATION

156. **THE Hon. DIANA LAIDLAW** (on notice) the Minister of Community Welfare:

1. When will the Minister provide answers to questions about amalgamation of the Department of Community Welfare and the South Australian Health Commission raised by her during debate on the second reading of the Appropriation Bill on 20 October 1987, *Hansard* page 1287-8?

2. What are the answers to those questions?

The Hon. J.R. CORNWALL: The honourable member asked questions relating to the rationale for amalgamation to consumer effect and community participation, local accountability and service relevance. Some of the questions have been answered in the course of debate. The questions were asked prior to the release of the green paper. Most of the questions are either addressed in the paper or are being addressed in the consultation process. That is the purpose of the green paper and consultation process.

The Government is not locked in to any particular proposal. As I have stated in this House on several occasions, amalgamation will not proceed unless the perceived advantages for South Australians (and I believe there are many) can be demonstrated. It would proceed at a pace that could be comfortably absorbed by the field. As to details of comparative pre and post South Australian Health Commission restructuring salary costs of senior management of the commission in July 1987, the figures are:

Pre-reorganisation (July 1987)	$1 978 171
Post-reorganisation (March 1988)	$1 796 275

(expressed in November 1987 costs pre 4 per cent increase)

163. **The Hon. DIANA LAIRLAW** (on notice) asked the Minister of Health: In respect of the Minister's statement that amalgamation of Health and Community Welfare 'has not been achieved successfully in many parts of the world', (Estimates Committee A, 23 September 1987, *Hansard* p. 420)—

1. Will the Minister identify the countries or States where, in his view, amalgamation of the health and welfare portfolios have been successful?

2. Is the amalgamation scheme operating in each of these countries and states the same as that proposed in Option No. 3 presented in the Report 'Health & Welfare Working Together, Options for the Future'?

3. If not, what are the distinguishing features of the other schemes?

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

1. There are many countries and States where a single ministry and/or Department for Health and Welfare exists. However, a successful merger involves more than administrative change—it is a clear working relationship of health and welfare professionals at the local level, where people actually get help. By that standard, the most effective mergers are believed to have occurred in France, Finland, Northern Ireland, several American states, especially Arizona, Georgia and Florida, and two Canadian Provinces, Quebec and New Brunswick.

2. No. The models vary enormously. Some divide off large hospitals from community services, some do not. Some even include correctional services, while others separate out whole categories of clients, such as the aged. However, some common features which seem to contribute substantially to their success at the local level, include—

- — a strong regional unifying point for all the services involved;
- — an extensive process of consultation with all affected parties before a final model was decided upon;
- — a widely accepted social justice strategy which emphasises such matters as equity and citizen participation, thereby emphasising the similarities rather than the differences between health and welfare objectives.

3. Refer to Question 2 above.

PAPERS TABLED

The following papers were laid on the table:

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

Pursuant to Statute—

Australian Barley Board—Staff Superannuation Fund—Report, 1986-87.

Planning Act 1982—Crown Development Report—Child Care Centre, St Morris Primary School.

Stock Diseases Act 1934—Declaration of Diseases—Variation of proclamation.

Regulations under the following Acts—

Cattle Compensation Act 1939—Compensation.

Controlled Substances Act 1984—

Prohibited Substances

Butorphanol—

Poisons and Prescribed Amounts.

Declared Prescription Drug.

Declared Poison.

Declared Drug of Dependence.

Supply.

Fisheries Act 1982—

Exotic fish, fish farming and Diseases. Coorong and Mulloway fisheries.

Occupational Therapists Act 1974—Registration Fees.

Planning Act 1982—Development control.

By the Minister of Tourism (Hon. Barbara Wiese):

Pursuant to Statute—

Children's Services Act 1985—Regulations—Registered Centres.

Harbors Act 1936—Regulations—Sugar Wharfage Fee.

MINISTERIAL STATEMENT: Mr SPENCER RIGNEY

The Hon. J.R. CORNWALL (Minister of Health): I seek leave to make a statement.

Leave granted.

The Hon. J.R. CORNWALL: The State Government has today made an offer to Narrung Aboriginal man, Mr Spencer Rigney, to sell to him under favourable terms the Housing Trust owned house in which he is living. As members of this council know, Mr Rigney began disputing the trust's ownership of the house in 1982 during the term of the Tonkin Government. Mr Rigney claims that he believe he was entering into a rental/purchase agreement when he signed a tenancy agreement with the trust in 1973. Although Government investigations have established that Mr Rigney has no legal claim to ownership of the house, not all of the documentation has been located relating to the status of the Aboriginal funded housing scheme in 1973 and Mr Rigney's application to it for housing at that time.

Since my colleague tabled in the House of Assembly on 25 February 1988 relevant documents confirming the trust's ownership of the house, three retired public servants, including the officer who witnessed Mr Rigney's tenancy agreement in 1973, have all signed statutory declarations that they believed Mr Rigney's application was for purchase. These statements conflict with departmental advice that the 'funded' rental/purchase scheme did not exist in 1973.

Having considered all the information and claims put before it, the Government has decided to offer to Mr Rigney the opportunity to buy the house at the 1973 settlement price of $5 289, with rent already paid by Mr Rigney being offset against the price, associated interest and costs incurred by the Housing Trust over the years. Because much of the maintenance work performed on the house by the trust was of a cyclical nature, and an owner may have chosen not to have carried it out, Mr Rigney is being levied only half of a $14 000 maintenance bill.

The offer, if accepted, will leave Mr Rigney owing $1 279 to the trust on a property which the Valuer-General says today is worth $38 000. This is a generous offer to Mr Rigney which reflects the Government's desire to finalise a matter which should have been properly sorted out by the Tonkin Government in 1982.

Members interjecting:

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: And so it should have. I will not be diverted. Mr Rigney and his representatives have 30 days in which to accept the offer. If Mr Rigney chooses not to buy the house then he remains a tenant and will be expected to comply with his obligations as a tenant of the Aboriginal Housing Board. In view of some public comments, I would like to make it clear that South Australian Housing Trust officers have acted correctly and with proprietary in this matter.

MINISTERIAL STATEMENT: NARACOORTE AMALGAMATION PROPOSAL

The Hon. BARBARA WIESE (Minister of Local Government): I seek leave to make a statement.

Leave granted.

The Hon. BARBARA WIESE: On Friday last, I endorsed the recommendations made by the Local Government Advisory Commission, as a consequence of which there will be no amalgamation of the two Naracoorte councils. The amalgamation was proposed by the Corporation of Naracoorte but was strongly opposed by the District Council of Naracoorte.

The commission in its most thorough report on the matter, said there were a number of benefits in the amalgamation. These included cost savings in the provision of services, better use of staff, the potential for improvements in services and enhanced opportunities for the development of the area. Against that, however, the commission weighed the significant opposition to the proposal especially amongst rural electors. On balance, the commission did not believe the circumstamces were conclusive to a new council being able to operate effectively. Any council needs a reasonable level of public support and goodwill for it to be successful and it was the commission's view that there is currently insufficient support for any new council to succeed at present.

Whilst it accdepted that much of the opposition to a merger was based on conditions which were unlikely to be realised in practice, it accepted that these views were strongly held and widespread. The commission did not believe they were likely to alter in the immediate future. Nonetheless, the commission urged that the issue of amalgamation be kept alive in Naracoorte, and hoped its report would assist in setting a basis for further discussion to occur over time. One of the four commissioners in a minority report urged that the amalgamation should proceed. The commissioner argued that the community knew amalgamation was inevitable, its fears about it were unfounded, and there was unlikely to be a better time for a merger to occur.

In accepting the Commission's majority judgment in this matter it is my firm hope, once the strong emotions which have been raised over this matter have cooled, that the commission's detailed report will form the basis for further discussion on the benefits of amalgamation and that, in the not too distant future, a further proposal can come forward which enjoys the support of a large segment of the community.

On Friday of last week I met with the Mayor of Naracoorte and the Deputy Chairman of the district council of Naracoorte, together with the Chief Executive Officers of the two councils. I outlined my decision in this matter and sought their support in creating a positive climate for future discussion of amalgamation. The issue has caused strong divisions within the Naracoorte community and, at times, the public debate has been highly personalised. I was therefore most grateful for the commitment given by both councils to assist to calm emotions and ensure that sufficient goodwill was retained to allow the discussions to continue in the future. Too easily, I believe, both the supporters and opponents of amalgamation could retire to their corners and no meaningful debate occur for another decade. That would not be in the best interests in the Naracoorte area. The level of interest in amalgamation certainly shows that the Naracoorte community is concerned about its local government. I want to ensure that that concern is harnessed in a positive way for the best interests of the area.

This decision lays to rest a misconception I have heard from time to time within local government that the Local Government Advisory Commission has a basis in favour of amalgamation, no matter what the cost or level of support it enjoys. I have said repeatedly that there can be no blanket support or rejection of amalgamation but, rather, that each case needs to be examined on its merits. It is a matter of weighing the complex range of circumstances in each proposal. It is interesting to note, for example, that in comparison to other proposals I have accepted in recent times the Naracoorte case has a lower level of direct cost benefits and a lesser level of elector support.

I would not, however, wish this decision to be seen as a triumph for noisy public opposition, since it is not that at all. Councils should be most cautious in drawing a conclusion from Naracoorte that—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: —faced with a proposal for amalgamation for a neighbouring council, all that is required is the mounting of a noisy public campaign in opposition to it, rather than addressing the merits of the case itself. The district council of Naracoorte formed its view in opposition to a merger after a series of discussions with the corporation and after a report was presented to it by its Chief Executive Officer. It was not a knee jerk reaction but one reached after it had conducted its own evaluation of the case. Having done so, it ensured that its electors were fully informed and went to considerable pains to present its arguments, both publicly and to the commission, in a full and professional way. It was highly successful in retaining the support of its electors. The case put forward, whilst largely rejected by the commission in its examination of the facts, was nonetheless cogent, well argued and presented. That is an example I am most pleased for other councils to follow.

Now, I believe a very full analysis of amalgamation is before the Naracoorte community in the form of the commission's report. Whilst I do not expect it to occur immediately, I would expect that, once tensions have abated, all parties in the area will quietly begin to examine the report and to review the positions they have taken in recent times. There can be no further proposal for a three year period, and that would appear to provide an ideal space of time in which further discussions can occur free of any threat of a proposal being lodged.

This is also an appropriate occasion on which to review our progress with, and our procedures for, boundary change over recent times. The Local Government Advisory Commission was established under an entirely new set of procedures in 1984. In the past 12 months I have received some seven reports from the commisison in relation to amalgamation proposals. Of these, three have been accepted, whilst four have been rejected. Each of these decisions have been based on a thorough and careful analysis of the issues involved and a careful weighing of the factors relevant to boundary change. This record demonstrates the commission's ability to be sensitive to local issues in reaching judgments on proposals and underscores my confidence in the system we have in place in South Australia.

I do not say, however, that our procedures cannot be further improved. In my discussion with representatives of the two Naracoorte councils a number of suggestions were put forward on ways of streamlining or improving our procedures. Certainly, it is my view, and I believe that of the commission and the councils themselves, that the process for reaching conclusions was too lengthy and too costly. Already the commission itself has instituted a number of changes which will ensure a specific process. I have asked both Naracoorte councils to put forward their ideas as well, and they have been most pleased to assist in this respect. I have further asked the commission to put to me its views on any desirable changes to procedure or to legislative requirements which have become apparent in their use of the system.

I expect to be in a position to introduce any necessary changes later in this year. Again, I hope this demonstrates my commitment to ensuring that we have the best possible procedures for reviewing council boundaries in this State. The Commission now has before it a further five major proposals for the creation of new councils, with the prospect of a number more being submitted in the near future. This demonstrates the level of interest there is currently within local Government in boundary change. It further is a mark of acceptance of the procedures and, in particular, of the Local Government Advisory Commission.

I am most pleased with the progress being made in this most vital aspect of our local government system. As expectations of local government continue to develop in the current climate of significant economic adjustment, there are a growing number of councils in the State reflecting on their structural arrangements and, in particular, the continued suitability of their external boundaries. I believe this is a healthy sign of a dynamic local government industry and an affirmation of the strength of our system of boundary adjustment in South Australia.

QUESTIONS

COUNCIL MERGERS

The Hon. M.B. CAMERON: I seek leave to make a brief statement before asking the Minister of Local Government a question on the subject of local council mergers.

Leave granted.

The Hon. M.B. CAMERON: Members on this side of the Chamber are delighted to hear that common sense has prevailed in the matter of Naracoorte. I can assure the Minister that she was quite right in stating that there was very widespread opposition to that proposal and the way in which it was brought about. However, members may be aware of proposals in several other areas of the State for local councils to amalgamate. In fact, as the Minister said, five major proposals for council mergers are before the Local Government Advisory Commission.

One proposal that has been around for some time—in fact, I understand, subject to litigation and action in the Supreme Court—is still causing a great deal of community concern, not the least because communities in two of the three council areas involved believe they are being ignored by both the Minister of Local Government and the Bannon Government. I refer to plans for the Laura, Georgetown and Gladstone councils to merge.

Electors and members of the Georgetown District Council have for more than a year been vehemently opposing the latest plans for their council to merge with the other two councils. Representatives have appeared twice before the LGAC to outline their opposition to the planned merger. Ratepayers have demonstrated their desire for independence at public meetings at Port Pirie, and on two occasions have filled Georgetown's own local halls with support opposing the merger. As I said, Supreme Court action has now been taken in a bid to stop this forced merger. Yet the message that the community tells me it is continually getting back from the Minister of Local Government is that she is prepared to approve the merger because one council, Gladstone, has said in the past that it would support a voluntary amalgamation. The community, rightly, questions how this stacks up with what the Minister has said in the past, and even as recently as yesterday, on council mergers. The Minister has on several occasions said she would not force councils to merge if electors did not want it and, of course, the Minister has demonstrated that with Naracoorte.

Certainly, the Minister cannot plead ignorance over the opposition by Georgetown electors and council members to this forced merger. I am told that a delegation personally informed her of their feelings. People living in that part of the Mid North point out that, with such widespread dissatisfaction among electors throughout this State and the country, one would think that the Minister would take a little more notice of what local communities were telling her. But, apparently that does not seem to them to be the case. My questions to the Minister are:

1. Does the Minister still believe that a merger of the Gladstone, Georgetown and Laura councils is necessary, given widespread community opposition to that proposal?

2. If so, can the Minister explain why the planned mergers of the two Naracoorte councils were scrapped—and we support that on the grounds of lack of community support yet she is sanctioning the Gladstone, Georgetown and Laura merger?

3. In what way were ratepayers consulted about the merger in the Gladstone, Georgetown and Laura areas, and what were the results of that consultation procedure? I assume that some sort of survey of ratepayers was done.

The Hon. BARBARA WIESE: I do not intend to say anything at all about the amalgamation to which the honourable member referred which led to the formation of the District Council of Rocky River and which resulted from a merger of the councils of Georgetown, Laura and Gladstone because the matter is *sub judice.*

The PRESIDENT: Order! I was about to say that the honourable member who asked the question did not mention court proceedings, and I was totally unaware of any court proceedings.

Members interjecting:

The PRESIDENT: Order! I was not able to hear it, but admittedly there is a lot of noisy conversation at this end of the Chamber. If a matter is *sub judice* members cannot raise it in this Chamber.

The Hon. BARBARA WIESE: I certainly do not intend to comment on that matter at all; what I can talk about is the policy direction that I am pursuing regarding amalgamation, and particularly I will address my remarks to—

The Hon. M.B. Cameron: You can tell us how you arrived at the community feeling, can't you?

The Hon. BARBARA WIESE: I cannot do that; that is a matter before the court and I do not intend to discuss it at all. But what I can talk about is the policy that I am pursuing regarding local government amalgamations. The honourable member referred to statements I have made on whether or not councils should be forced to amalgamate. On this issue my position has always been that, whilst I am Minister of Local Government, I will not pursue the blueprint approach to the reorganisation of boundaries within the State.

The Hon. M.B. Cameron interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: I will not draw up some grand plan about the way in which boundaries should be drawn in this State and then pursue that by whatever method. I certainly will not put forward proposals along those lines to the Local Government Advisory Commission. It seems to me that in these circumstances it is preferable for proposals to come from a local community and, certainly in all cases that have come before the commission in the past two years regarding amalgamation or the redrawing of boundaries, proposals have come from either councils or groups of ratepayers within a local community, making suggestions about the way boundaries might be drawn to provide appropriate local government for a district.

It is important for the commission in its work to balance the costs and benefits of such proposals as they relate to local communities and also the system of local government within the State. I believe that the Local Government Advisory Commission, in all the proposals it has considered in the past two years, has sensitively looked at the costs and benefits to local communities. It has heard from all local residents and councillors who were interested in the issue of amalgamation in those parts of the State. Therefore, it has been able to make judgments about the numerous issues that they must take into account and it has made a sensitive judgment in every case on what would ultimately be in the best interests of local communities and the South Australian local government system.

That is the policy I will continue to pursue and, as I indicated earlier today in a ministerial statement, now that the commission has had the opportunity during its period of operation to consider a number of amalgamation proposals, it will make representations to me about the way in which its operations may be improved and streamlined in the light of recent experience. I hope that we can bring about appropriate changes wherever necessary in order to make the work of the commission even more useful and valuable to the people of South Australia than is the case at present.

LIBRARY AND MUSEUM APPOINTMENTS

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Minister of Local Government a question about library and museum appointments.

Leave granted.

The Hon. L.H. DAVIS: Concern has been expressed in library and museum circles about the failure to advertise two important senior positions. The Mortlock librarian's position became vacant when the first Mortlock librarian, Margie Burn, was appointed as librarian at the Mitchell Library in Sydney—a prestigious position which I understand was advertised.

However, the new Mortlock librarian has been appointed from within the Public Service under the redeployment guidelines. I do not wish to cast any aspersions on the qualities of the new Mortlock librarian but like many people in library circles, I am astounded that such a senior position can be filled through redeployment and an interview without being advertised within South Australia, if not nationally. This procedure is even more curious when lesser positions of a like nature, for example, curators for the History Trust of South Australia, are advertised in the daily press.

The Mortlock Library, located in the Jervois Wing, is the major library for South Australian historical material from pre-settlement through to the present and has a wealth of printed material and photos, including many valuable special collections, all of interest to researchers. It is a prestigious and important appointment.

The Hon. C.M. Hill: It stems from the times of the Tonkin Government

The Hon. L.H. DAVIS: As the Hon. Murray Hill rightly reminds me, that was commenced in the time of the Tonkin Government and his modesty obviously precluded him from mentioning that he, of course, was the prime mover in that matter.

The second appointment is that of Mr Peter Tregilgas as the first administrator to the proposed Aboriginal Heritage Centre. This position also was not advertised, although the first administrator must possess project management skills and a sensitivity to Aboriginal heritage. This second appointment has astounded many people. It is an appointment that the Government has sought to keep under wraps. My questions are as follows:

1. Who made the appointment of Mr Tregilgas as the first administrator of the Aboriginal Heritage Centre?

2. What is the job description for this position?

3. Why was this important position filled so surreptitiously and not advertised nationally?

4. Why was the Mortlock librarian's position not advertised?

The Hon. BARBARA WIESE: Ms President, I think it has been made very clear recently exactly what the situation is within the South Australian Public Service with respect to the appointment of staff. I believe that some time last year, or perhaps earlier, the Minister of Labour made a public announcement which made very clear what the Government's future policy would be with respect to the filling of positions within the South Australian Public Service: wherever possible, within the service, when a position becomes available, if an officer is currently employed in some other part of the service who would be able to undertake the tasks that are required in a particular position, then they should have preference over people from outside the service. There are, of course, opportunities for positions to be advertised outside the service should there be some good reason for doing that. For example, one good reason might be that there are no people with appropriate skills or expertise within the service to fulfil the tasks required. I will make specific inquiries about the positions that the honourable member has referred to with regard to the procedures that have been followed in respect of those appointments. Also, if the honourable member is interested in the job specifications—and obviously I do not have that information in my back pocket—I will acquire a copy for him.

However, I would suggest that in both these instances the guidelines that have been clearly established and made public with respect to the filling of internal appointments have been followed, and I would suggest, too, that both the people who have been employed in these positions are very able and capable people who will fulfil the responsibilities of those respective jobs admirably.

The Hon. L.H. DAVIS: As a supplementary question, Ms President: was Mr Tregilgas employed in the South Australian Public Service at the time of his appointment as the administrator of the Aboriginal Heritage Centre?

The Hon. BARBARA WIESE: I am not familiar with Mr Tregilgas's previous employment history, but I will certainly be happy to seek that information and include it as part of my reply.

PORT HOUSING ASSOCIATION INC. AND PORT UNEMPLOYED SELF HELP INC.

The Hon. K.T. GRIFFIN: I seek leave to make an explanation before directing to the Attorney-General a question on the subject of Port Housing Association Inc., and Port Unemployed Self Help Inc.

Leave granted.

The Hon. K.T. GRIFFIN: I have been handed a large parcel of papers relating to the affairs of these two associations and representations have been made to me to raise the problems within the associations publicly. Those representations have been made because the Corporate Affairs Commission has said to the complainants who have sought action that they should go away and take their own advice and because the Minister of Housing and Construction has not taken any action on the issues raised. There is a significant level of membership common to each association and eight of the 10 members of the Port Housing Association Committee are also members of Port Unemployed Self Help.

In February 1988, six members of the committee of Port Unemployed Self Help who had been asking challenging questions of the coordinator and other members were removed from the committee at a hastily arranged and unconstitutional meeting and replaced. The coordinator, a paid position, also became treasurer, giving rise to potential conflicts of interest. The questions which led to the removal of six members related to the way the finances of Port Unemployed Self Help and associated bodies were being handled, including dealing with accounts and payments without committee authority. Within recent weeks the situation has been so charged with tension that police have been called in to deal with threats to former committee members who sought access to office premises.

The Hon. J.R. Cornwall interjecting:

The Hon. K.T. GRIFFIN: That is a different issue. There is also concern amongst some members that at least four members of the committee of management have convictions for social security fraud and theft, which means that they are in breach of section 30 of the Associations Incorporation Act which prevents certain persons holding office on the committee of management of an association.

The Port Housing Association Inc. is closely associated with Port Unemployed Self Help. At 30 June 1987 it held 14 houses costing over $1.2 million, 10 of which it had bought in the preceding year largely with money borrowed from the Co-op Building Society guaranteed by the South Australian Housing Trust and with the approval of the Minister of Housing and Construction. In the year ended 30 June 1987, it received grants from the South Australian Housing Trust of $90 084. Its borrowing exceeded $1.1 million.

The South Australian Housing Trust guidelines for these houses requires 20 per cent of income of tenants of houses to be paid in rent. In mid-1987 the coordinator of Port Unemployed Self Help arranged for Port Housing Association to amend its guidelines in respect of his occupancy to 85 per cent of market rental. He, his *de facto* wife and her sister occupy one house. His income is $420 per week, his *de facto's* (who works for the Port Unemployed Self Help Transport group) is $135, and the sister-in-law receives $115 from an invalid pension—a total of $670 per week. On the South Australian Housing Trust guidelines the rent should be $134 per week. In fact, it is $46. In addition, his *de facto* wife's father has a dwelling, and so does his campaign manager from the last local council elections.

I am told that the Minister of Housing is considering whether or not to allow grants for further houses to be acquired, and the Minister of Community Welfare, I understand, will this month decide whether or not to suspend this quarter's grant to Port Unemployed Self Help.

The Hon. J.R. Cornwall: I said I would consider it.

The Hon. K.T. GRIFFIN: I understand that the Minister is this month to consider whether or not to suspend this quarter's grant to Port Unemployed Self Help. This history suggests, among other things, breaches of the Associations Incorporation Act in respect of membershp of the committee and conflicts of interest not dealt with in accordance with the provisions of that Act. My questions to the Attorney-General are as follows:

1. Will the Attorney-General as Minister of Corporate Affairs investigate the two associations to determine whether any breaches of the law have occurred, particularly in relation to the Associations Incorporation Act?

2. Will he request the Minister of Community Welfare and the Minister of Housing and Construction to investigate also the management of these associations and their application of public funds and other funds to determine whether there is any breach of the law in their respective areas or any impropriety in the application of funds?

The Hon. C.J. SUMNER: I have no personal knowledge of the matters to which the honourable member refers. I am happy to refer his question to the Corporate Affairs

Commission for a report and also to refer the relevant matters to the other responsible Ministers for their comments.

CONSUMPTION TAX

The Hon. T. CROTHERS: I seek leave to make a brief explanation before addressing to the Leader of the Government in the Council a question about the subject of consumption tax.

Leave granted.

The Hon. J.R. Cornwall: They are not allowed to talk about it on the other side.

Members interjecting:

The PRESIDENT: Order!

The Hon. T. CROTHERS: Recent events which occured during the currency of a by-election for the Queensland State seat of Groom revealed that the National Leader of the Liberal Party, Mr John Howard, and his Federal President, Mr John Elliott, were not quite seeing eye to eye over the Liberal Party's policy on taxation—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. T. CROTHERS: —with particular reference—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order, Mr Davis!

The Hon. T. CROTHERS: They really are a rabble. Mr Howard and Mr Elliott were not quite seeing eye to eye over the Liberal Party's policy on taxation with particular reference to the imposition of a consumption tax. Further clouding this issue was the uncertainty of their junior partner in the Coalition and the National Party's Federal Leader in respect of the National Party's attitude towards a consumption tax. As we all know, the Queensland Liberal Party took the State seat of Groom from the National Party, thereby leading Mr Howard to declaim that that was a sign of support from the electorate for a consumption tax, as well as the former Premier of Queensland, Mr Bjelke-Petersen, who campaigned vigorously against his own Party, the Nationals, to declare a victory for the anti-taxation lobby. Can the Attorney-General tell the Council, first, who is right or wrong, Mr Petersen or Mr Howard; secondly, which John, between John Stone, John Elliott and John Howard, is the 'honest John' and, thirdly, is there any split that he is aware of between our National President, South Australia's own original 'honest John' and the National Leader of the Labor Party, Mr Bob Hawke?

The Hon. C.J. SUMNER: I am not aware of any difference of opinion on this matter between the National President of the Labor Party, John Bannon, and the Prime Minister.

Members interjecting:

The Hon. C.J. SUMNER: I am not able to look into the minds or motives of members of the Federal Parliament or members of other State Parliaments to try to devine exactly what is their view on the question of a consumption tax. We certainly have the position that when Mr Howard, the Leader of the Opposition, is trying to curry favour with the business community, he asserts that his record while Treasurer was a very good record and that he tried to fight for a consumption tax at that time but it was squashed by the then Prime Minister, Mr Fraser. However, when he is not trying to court favour with the business community and is out and about in the electorate, he comes out and opposes a consumption tax, that is, unless he is contradicted by the President of the Liberal Party, Mr Elliott, who says that he does want a consumption tax. When that occurs they get together and apparently achieve some kind of compromise as at the Liberal Party council meeting held last weekend.

I do not know whether anyone knows what that means as far as a consumption tax is concerned. Mr Elliott, the President, says that it is a resolution which supports a consumption tax whereas Mr Howard is wandering around not really knowing whether or not it supports a consumption tax. Senator John Stone is in a somewhat extraordinary position and I suggest will probably not be a member of the shadow Cabinet in Canberra for very much longer because people who know Mr Stone—

The Hon. J.R. Cornwall interjecting:

The Hon. C.J. SUMNER: He will be very much on the back bench because the reality is that Mr Stone and Mr Howard will not be able to live together. Mr Stone was head of Treasury in Canberra when John Howard was Treasurer. I understand that Senator Stone does not really have very much enthusiasm for Mr Howard's tenure as Treasurer of this country.

The Hon. T. Crothers interjecting:

The Hon. C.J. SUMNER: One does not know whether they are dry, wet or damp. The factions change constantly. We can take, for example, the former Premier of Queensland. One could not work out what faction he belonged to. One would not know what Party he was in. At the last Federal election he split the Coalition because he was opposed to a consumption tax, amongst other things. He did his best to split the Coalition, split himself from Sinclair, to line up with Mr John Stone to support the National Party in Queensland. Joh Bjelke Petersen was one of Senator Stones great supporters, he got him on the ticket to run the 'Joh for Canberra' campaign.

One of the issues was taxation policies and opposition to a consumption tax. We then get Sir Joh Bjelke Petersen being dumped by his National Party colleagues in Queensland and his beetling back off to his home town to support the Liberal Party in the recent by-election. One of the specific issues raised in that by-election was the question of a consumption tax with the National Party, of which he had been leader in Queensland, being opposed to the consumption tax and Mr Howard not quite knowing where he was. In that contest Joh had no doubt as to where he should go, namely, with the Liberal Party and the possibility of a consumption tax. One wonders how the gentleman has any credibility at all in the electorate. That must be some peculiar Queensland thing because, if he adopted that sort of inconsistency in other parts of Australia, he would not last very long.

That short recitation indicates that there is chaos in the Opposition Parties nationally and indeed in some of the States with respect to their taxation policies. They certainly have not got their act together and it would appear, with Senator Stone's position, with Mr Elliott being implacably opposed and Mr Howard trying to straddle the fence between the two, that it is unlikely that they will sort out their taxation policies. It is worthwhile reminding members that the Fraser Government was in office for some seven years and Mr Howard was Treasurer for a good deal of that time. He did nothing to restructure the tax system. He was incredibly tardy about attacking tax evasion.

The Hon. L.H. Davis: What did Keating say about a consumption tax—will you quote that?

The PRESIDENT: Order! Standing Orders prohibit repeated interjections, particularly when it is the same interjection again and again.

The Hon. C.J. SUMNER: It was left to the Hawke Government to deal with the taxation system in this country. Despite years of pontificating by Liberal and Country Party

Governments over many years, it was finally left to the Hawke Government to restructure the tax system in this country and produce the most significant reforms in personal income taxation rates that has occured over the past 20 years, that is, a significant reduction of the marginal rates and in particular a reduction for the top marginal rate from 60 per cent to 49 per cent.

FILIPINA BRIDES

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation prior to asking the Minister of Community Welfare a question on Filipina brides.

Leave granted.

The Hon. DIANA LAIDLAW: On 15 October last year the Leader of the Opposition in another place and I in this place raised concern about the high incidence of domestic violence suffered by Filipina women married to South Australian men. We claimed Filipina brides were over-represented in domestic violence statistics and called for an urgent investigation of the issue. The next day the Minister acknowledged the validity of our concerns and, in a press release issued on 16 October, stated:

> Filipino women married to Australians seem to be significantly over-represented on a per capita basis as victims of domestic violence. It is a matter of serious concern to me, and I have asked the Chairperson of the South Australian Domestic Violence Council, Ms Sue Vardon, to review the situation in this State. I have asked her to establish a special working party to examine any particular problems with respect to domestic violence among Filipino women.

The Liberal Party at the time welcomed this statement, particularly the Minister's acknowledgement that it was a matter of some serious concern to him, but we were at that time concerned, and remained concerned, that it was seen necessary to establish a special working party when only six weeks earlier the final report of the 80 person domestic violence task force, chaired by the same Ms Vardon, had been submitted to the Premier and subsequently the Attorney-General and Minister of Community Welfare for action. That task force had taken two years to report—one year longer than initially promised by the Premier.

The release of the domestic violence task force report confirmed that the plight of a high number of Filipina brides in respect to domestic violence did not even rate a mention in the report. Today, six months after the establishment of this special working party, I understand that it is far from completing its investigations, has not met for some months now and has no deadline for the preparation of its report.

Will the Minister seek to establish the reasons why the special working party, which he proposed on 16 October last year, is taking so long to investigate a matter that he identified as being a serious problem in October last year? Will he seek to reactivate the committee's investigations and set a deadline for the presentation of the committee's report so that action as recommended can be taken to alleviate the pain and suffering encountered by a large number of Filipina brides in this country? I certainly acknowledge that the majority of Filipina brides do not encounter domestic violence.

The Hon. J.R. CORNWALL: The answer to all three questions is 'Yes'.

GOVERNMENT TRAVEL CENTRE

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Minister of Tourism a question about the South Australian Government Travel Centre.

Leave granted.

The Hon. CAROLYN PICKLES: From time to time members of the public and the Hon. Legh Davis in particular have been critical of the standard of service and range of information provided by the South Australian Government Travel Centre and its staff. In fact, I recall Mr Davis in this place describing the Travel Centre as a disaster. It is a pity that he is not here to listen to this question. If there are grounds for these sorts of complaints, obviously something needs to be done, particularly as South Australia's new marketing and development plans are expected to continue to increase South Australia's share of tourism visitation.

Events such as the Pacific Asia Travel Association's Travel Mart, which the Premier and the Minister will launch tonight, will also have a marked impact on our tourism future. In view of these facts, will the Minister tell the Council whether there are grounds for concern about the Travel Centre and its staff and, if there are, what is being done to address the problem?

The Hon. BARBARA WIESE: In a very high profile and pressured industry like the tourism industry, some level of criticism is pretty much inevitable. One can also expect some level of dissatisfaction when so many people are being served by particular areas of the tourism industry. If criticism is constructive, it can be useful.

The Hon. Carolyn Pickles: Mr Davis's criticism isn't.

The Hon. BARBARA WIESE: I agree with the Hon. Ms Pickles that criticism that has come from some people in the past, and particularly the Hon. Mr Davis, has not always been accurate, and he is certainly somewhat given to hyperbole.

The Hon. Carolyn Pickles: He needs to ring America all the time.

The Hon. BARBARA WIESE: Yes, that is true, he does need to ring America a lot to assist himself with his questions. I welcome the question asked by the honourable member because, as she indicated, the PATA travel mart is to be launched this evening in South Australia, and this week in excess of 800 people from all over the Asia-Pacific area who are involved in tourism and travel will be in Adelaide. It gives us an opportunity to show exactly what South Australia has to offer to international tourists. The people attending this travel mart are very influential, and we should not underestimate the benefits that could accrue from this visit.

Yesterday the South Australian Government Travel Centre moved temporarily across the road to 21 King William Street whilst our premises are being refurbished and renovated. Very recently we received the results of a survey which was commissioned by Tourism South Australia and which was designed to discover why people visit the Travel Centre and to evaluate the standard of service that is provided by its staff. The survey was an attempt to ascertain from visitors to the Travel Centre whether they believed the staff had a proper understanding of their needs; whether their knowledge of the tourism product was adequate; and their assessment of the staff's helpfulness and overall efficiency.

The survey was conducted by multilingual personnel so that we would be able to include some of our overseas visitors as well as local visitors. Some 400 people were interviewed. Of those, 230 were Australians, of whom 144 were South Australians and 170 were from overseas, particularly from the United Kingdom and Europe. The interviews were conducted outside the Travel Centre so that

none of the people being interviewed would feel inhibited by saying within the earshot of staff things which they might have felt were critical. This survey demonstrated that about two-thirds of the people who visited the Travel Centre during the course of the survey period were looking for information about Adelaide; about half of that number were looking for information about country South Australian locations; and the remaining visitors visited the centre to collect tickets or to make bookings for day trips, etc.

The survey results have been very heartening indeed, because we have discovered that 99.5 per cent of interviewees said that staff understood their needs; 96.3 per cent were satisfied with the staff's tourism product knowledge; 96.3 per cent were satisfied with the staff's helpfulness; and 97.5 per cent were satisfied with the staff's efficiency. Of the 400 people who were interviewed, only 39 made critical remarks, 26 of whom complained about the length of time that it took to be served. I believe that this problem will be largely overcome by the renovations that are being undertaken in the Travel Centre, because we believe that the refurbishment of the Travel Centre will enable our counters and brochure display areas to be relocated. This will mean that people will be able to help themselves to information much more effectively than may have been the case in the past.

The survey period was conducted in one of the busiest times of the year. The first day of the survey, which was 29 February, happens to have been the busiest day during the course of this financial year. On that day 2 683 persons visited the centre, and that was 244 more than on the previous busiest day, which occurred last November during the Grand Prix. In addition, a huge number of telephone calls are handled by the Travel Centre. I have indicated those figures to demonstrate the extent of the work that is done at the Travel Centre and the number of people who pass through the doors of the Travel Centre in a very short space of time. We estimate that during this year about 250 000 will pass through the doors of the Travel Centre, so members can see—

The Hon. L.H. Davis: What was the breakdown between overseas and interstate?

The Hon. BARBARA WIESE: I have given that breakdown, so you will have to read *Hansard* tomorrow.

Members interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: These survey results are very important not only because they are complimentary to the staff in the Travel Centre but also because they are very important results to assist us with our future planning for staff rostering and the layout and arrangements within the Travel Centre itself. I think that we should congratulate the Travel Centre staff and the travel consultants for the excellent work that they do. As I have indicated in the past, on many occasions they are under considerable stress because of the very large numbers of people who pass through the door. Surveys of the kind that we have conducted recently will be conducted again in the future so that we can monitor visitor expectations and demands. That will help us to upgrade our staff training programs and other things to ensure that we do provide the highest possible standard of service. As I indicated, the staff of the Travel Centre does an excellent job, and I am delighted that we now have the figures to prove that.

STATE EMERGENCY HELICOPTER SERVICE

The Hon. R.J. RITSON: I understand that the Attorney-General has an answer from Sir Humphrey to a question that I asked 17 weeks ago on the subject of the State Emergency Helicopter Service.

The Hon. C.J. SUMNER: The Minister of Emergency Services has provided me with the following comment in response to the honourable member's question. As a result of the tender call on 8 December 1986 a tender was accepted from Lloyds Helicopters Pty Ltd for release of a Bell 206L helicopter. A working party is drawing up specifications for a call for registration of interest for a suitable twin engined helicopter. The call for registration of interest is expected to be made in the near future.

RELIEF TEACHERS

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister of Tourism a question about relieving positions in schools.

Leave granted.

The Hon. M.J. ELLIOTT: Recently I received a letter from a constituent on the matter of relieving positions in schools. It raised in my mind a problem of which I have been aware as a teacher for nine years. That is a problem where a senior member of a staff of a school—be it principal, deputy, senior or whatever—is absent from the school for a lengthy period of time, through illness, long service leave or whatever, and that position needs to be filled by a temporary replacement. What can happen—and I have seen this happen in schools that I have been in—is, for example, that a principal replaces the Superintendent of Schools in an acting capacity.

One of the deputies of that school then replaced the principal; one of the seniors replaced the deputy principal; one of the staff took the senior position; and a relieving teacher came into the school. That caused a great deal of displacement in the school in many ways: the class lost the teacher that it ordinarily had; quite a few programs had to be shifted around; and different teachers had to pick up different classes during that temporary period. I remember an incident where two deputy principals were missing from a school at the same time with two acting seniors and the consequent displacement that that caused in that school.

This practice is obviously causing a great deal of disruption in a number of schools. To some extent people have been living with the situation, but I ask the Minister whether or not he will give serious consideration to finding alternatives to this current 'promote through the ranks' routine. It has been suggested by the person who wrote to me that we should have a pool of senior staff to fill a lot of these temporary vacancies. It was suggested also that people could go into this temporary relieving pool for a couple of years instead of going onto country service which is forced upon some senior staff at the moment. If they had the alternative as an option they could choose between the two, and I am sure that things could be done to make that package work properly. Will the Minister undertake to look at this problem of relieving positions, particularly at senior levels in schools, and attempt to do something about it?

The Hon. BARBARA WIESE: I am happy to refer the honourable member's question to my colleague and bring back a reply.

KINDERGARTENS AND CHILD-PARENT CENTRES

The Hon. M.J. ELLIOTT: Has the Minister of Local Government, representing the Minister of Children's Services, a reply to the question I asked on 6 August 1987 regarding kindergartens and child-parent centres?

The Hon. BARBARA WIESE: It is true that the honourable member was notified last week about the question that he asked on 6 August. The reply is as follows:

1. The assertions that practices have been introduced into preschools involving 'delayed enrolment' and 'late admission' would appear to rise from a misunderstanding of the enrolment policy and practice in kindergartens. The intent of the policy is to provide preschooling to children for 12 months prior to entry into formal schooling. Previously, there had been some children who were receiving more than 12 months of preschool due to early enrolment prior to age four or extended enrolment beyond the age of five.

Figures from the recent Children's Services Office annual 'census' of children's services indicate that the effect of the enrolment policy has been to enable more four year olds to attend kindergarten. There has been a small reduction in the number of children who are either under four or over five. The effect of the policy has been to increase the access for those children who, in accordance with Government policy, are entitled to attend kindergarten.

There has been no change of policy or practice in respect of the number of sessions which children may attend. In cases where children are receiving fewer than four sessions per week within their eligible year of preschool, one of the following reasons would apply:

(i) parental choice;

(ii) the kindergarten is a fractional time centre, that is, functions for fewer than four sessions per week;

(iii) in a very limited number of centres, a rapid increase in enrolment pressure does not permit immediate attendance at four sessions by every child.

2. Staffing levels for the preschool section have been maintained. There has not been a drop in teacher numbers to eleven as stated by the honourable member. Since he asked this question, there has been an increase of an additional 38.2 FTE pre-school staff. The 1 to 10 staffing ration remains a policy objective for preschools. Consistent with the policy of working towards this objective and, within available resources, priority is given to achieving the 1 to 10 ratio in those preschools in areas of highest need. The budget allocation for preschool staffing for 1987-88 illustrates the Government's commitment to maintain the high quality of preschool services in South Australia.

3. See number 1.

The Hon. M.J. ELLIOTT: I ask a supplementary question. The Minister said that the 1 to 10 staffing ratio remains a policy objective for preschools.

The PRESIDENT: A supplementary question cannot contain an explanation; it can only be a question.

The Hon. M.J. ELLIOTT: I will rephrase the question. Is the statement made by the Minister that the 1 to 10 staffing ratio remains a policy objective true? The Government is now talking about 1 to 10 average attendance whereas its policy was 1 to 10 enrolment.

The Hon. BARBARA WIESE: I can only assume that the information that the Minister has given me is that which he wishes to give and that what he says is correct. However, I shall double check that point for the honourable member and bring back a reply.

CHILDREN'S SERVICES QUESTIONNAIRE

The Hon. M.J. ELLIOTT: Has the Minister of Local Government, representing the Minister of Children's Services, a reply to the question I asked on 1 March regarding a children's services questionnaire?

The Hon. BARBARA WIESE: My colleague the Minister of Children's Services has provided the following advice in response to the honourable member's questions:

1. No.

2. and 3. The Children's Services Consultative Committee, not the Government or the Children's Services Office, is seeking information from parents. The committee will decide how to collate the responses and what further action is appropriate.

4. Yes.

BIRDSVILLE TRACK

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister representing the Minister of Transport a question about the Birdsville Track.

Leave granted.

The Hon. PETER DUNN: On 29 October 1986 I asked a question in this Chamber. I said that concern had been expressed—

An honourable member: Six months.

The Hon. PETER DUNN: Six months? It is in 1986. You can't count either. No wonder you have problems with the Minister's figures. I quote from *Hansard* of 29 October 1986 (page 1567), as follows:

> Concern has been expressed in the Marree area that the Birdsville Track gang has been cut from 10 to four members to maintain a distance of in excess of 350 miles or 570 kilometres. There have been many changes in the area recently. For instance, the policeman told me that, owing to the advent of cheaper four-wheel drive vehicles, some 50 vehicles per day travel the Birdsville Track one way or the other, and during the school holidays that rises to approximately 250.

That is some background information about this problem. However, recently—and by that I mean two weeks ago—there were some heavy rains in the area and the Birdsville Track was closed. The track was washed out, particularly between Clifton Hills and Birdsville, and to this day—about a fortnight later—the road is still closed.

I have been contacted by several station owners whose properties border the track. One of them travelled to Birdsville of necessity the other day and he said that there were severe washouts which could cause damage and bodily injury to anyone who drove along that road. It is very difficult to stop people from driving in those areas given that people tend to own four-wheel drive vehicles, in which they head off in that direction. Other than a sign at each end of the track saying that the road is closed, there are no flags or other signs indicating severe washouts. The road is very hazardous to anyone travelling along it, whether by design or inadvertently. It is certainly closed at the northern end; the police closed the track at Birdsville, which was the worst area. This matter must be attended to. The road is maintained from the southern end.

Very shortly farmers will be bringing their fat stock to Adelaide on that road. I have been told that 600 stock will be brought to the Adelaide market. They cannot be taken to the eastern States because there would be competition from other cattle and they would be considered to be stores. If farmers bring their stock to Adelaide, the shorter distance, they reach the market as fat stock. There have been problems in that area for some time and farmers have de-stocked because of the TB and brucellosis program. This will be the first time in five years they will be able to get cattle to market, with a resultant income. I ask that something be done as quickly as possible, because the farmers want to get their cattle to the Adelaide market as soon as they can. Will the Minister make funds available immediately to the Port Augusta region so that the Birdsville Track can be

repaired rapidly and made capable of carrying road trains, which are so necessary in the moving of cattle from the north-east of South Australia?

The Hon. J.R. CORNWALL: I will refer the question to the Minister of Transport and bring back a reply.

OPEN COURT HEARINGS

The Hon. K.T. GRIFFIN: Has the Attorney-General a reply to a question I asked on 3 March about open court hearings?

The Hon. C.J. SUMNER: The Chief Justice has advised me that the purpose of the rule in question and the manner of its operations were correctly explained in my earlier answer to the honourable member on this subject. The Chief Justice also advised that the rule is operating well and fairly. It is an important measure of judicial administration designed to ensure that the court uses to the best advantage the resources provided to it for the administration of justice.

There is little point in requiring leave to appeal if a full argument before the Full Court as to the merits of the appeal is required to determine whether leave should be granted. The Chief Justice considers that no change to the rule is desirable nor is it contemplated.

NATIONAL PARK FIRES

The Hon. M.J. ELLIOTT: Has the Minister of Health a reply to a question I asked on 18 February about the use of amphibious planes during bushfires?

The Hon. J.R. CORNWALL: The use of water bombing is frequently brought up after bushfires. The Commonwealth Government (CSIRO) undertook extensive studies (Project Aquarius) looking into this issue and concluded these arrangements were not practically applicable to the Australian bushfire situation.

The basic problem with water bombing is that when it is most needed the very meteorological conditions that created the extreme fire hazard are dangerous for picking up and aerial delivery of water. Water bombing is useful in some moderate conditions but that is not when it is needed.

NATIONAL YEAR OF PRODUCTIVITY

The Hon. L.H. DAVIS: Has the Attorney-General a reply to a question I asked on 23 February about the national year of productivity?

The Hon. C.J. SUMNER: If the honourable member wishes to urge the Federal Government to declare 1989 or some other year a national year of productivity, then he should approach directly the Federal Government with his recommendation. As indicated in the Premier's letter to the honourable member dated 4 April 1987, a national year of productivity is worthy of consideration by the Federal Government.

GAS BILL

Adjourned debate on second reading.

(Continued from 6 April. Page 3780.)

The Hon. L.H. DAVIS: The South Australian Gas Company was established in 1861. In those early days of the colony, gas became a valuable source of lighting for streets and buildings, replacing the then existing oil lamps and candles. Of course, those oil lamps and candles were inadequate and I suspect that many a citizen of Adelaide found themselves in a mudhole in the evening gloom in the 1840s and 1850s prior to the introduction of gas lamps. I also understand that many of the smaller regional settlements had their own gas reticulation, and places such as Auburn had gas lamps (and that came as a surprise to me, I must say).

In fact, the streets of Adelaide were lit by gas for 50 years between 1863 and the outbreak of the first World War in 1914. Today the gas industry in the State is large and important. It is no longer just a source of street lighting, although I am pleased to note the growing popularity of gas lighting for decorative purposes. Gas is now a major energy source for heating, for industry and for cooking. The exploration for and production of natural gas, the use of natural gas in producing electricity, liquid petroleum gas, and the manufacture and distribution of gas appliances are other facets of this important industry.

The South Australian Gas Company has been a public company listed on the Stock Exchange for many years. It has been a hybrid, a cross between a typical private sector company but incorporating elements that are seen in a public authority. There cetainly have been, until the introduction of this Bill, severe constraints on the South Australian Gas Company which have limited its attraction as an investment vehicle. For example, there was a limitation on the payment of dividends; there was a ceiling on the annual dividends payable. There was also a ceiling on ownership of the Gas Company. It remained an unattractive investment vehicle until Mr Ron Brierley, well known New Zealand entrepreneur, visited Adelaide in the early 1980s and, as legend has it, whilst watching cricket decided it would be a good idea to purchase a few Gas Company shares. Mr Brierley has not only a penchant for entrepreneurial empire building in the business world but also a great love of cricket and a great attraction to Gas Company shares. He started buying shares in the Gas Company, which moved the Government of the day (the Tonkin Government) to take action to prevent Mr Brierley taking over the South Australian Gas Company. That involved special shares with voting powers being issued to SGIC, and effectively prevented Mr Brierley taking over the South Australian Gas Company or, at least, building up a controlling interest in that company.

As far back as 1981 there were discussions in Government about the possibility of a merger between the South Australian Gas Company and the South Australian Oil and Gas Corporation (SAOG). SAOG is a company which is engaged in the business of oil and gas exploration, development, production, processing and marketing. It has a 14 per cent interest in the gas fields of the South Australian Cooper Basin, and it has an interest of about 9 per cent in the Cooper Basin oil fields.

In fact, production from the gas fields is shared by 11 companies who have formed what is known as the Cooper Basin Gas Unit. SAOG has a 14.3 per cent interest in that Cooper Basin unit. Santos acts as the operator for the 11 companies which are in the Cooper Basin unit. The oil fields are not unitised, but are developed under a normal joint venture arrangement. SAOG is a Government authority which is owned 99.92 per cent by the Pipelines Authority of South Australia which, in itself, is a statutory authority. The balance of interest in SAOG is a mere .08 per cent and is held by the South Australian Gas Company. Therefore, we can see that there is a slender but, nevertheless, existing link between SAOG and the South Australian Gas Com-

pany. It should be mentioned that SAOG has exploration interests not only in South Australia but also in Bass Strait. I believe that it may also have interests in other parts of Australia.

It is also important to reflect on the development of the oil and gas fields in South Australia. Gas sales from the Cooper Basin commenced in 1969. In other words, South Australia has had the advantage of natural gas for nearly 20 years. Of course, Sydney has had that advantage for a somewhat lesser time. Crude oil and condensate sales commenced in 1983 and LPG sales commenced in July 1984. Therefore, in every sense we can see that the SAOG is an important public authority which, according to the last published balance sheet of 31 December 1986, had a staff of 54. It has generally been profitable although, of course, with the fluctuations in oil prices, with heavy exploration costs and, more particularly, with a heavy debt, a small loss was reported for the 1986 financial year.

Seven or eight years ago there was serious discussion in the then Liberal Government about the possibility of either privatising the SAOG—and by that I mean selling off a portion of the SAOG Corporation but retaining a controlling interest in the corporation—or looking at the possibility of merging the South Australian Gas Company with SAOG.

The Tonkin Government looked at the possibility of a merger and at the time put it on hold. I am not privy to all the detail of that decision but, certainly, it was very seriously considered.

So it was that almost a year ago today the South Australian Gas Company together with the State Government announced that the directors of Sagasco proposed to merge the activities of Sagasco with SAOG. That announcement was made to the Australian Stock Exchange on 14 April. On that same day the Premier had a press conference, I believe, and made a similar announcement.

The basis of the proposed merger—which is the reason for debating this Bill today—was that Sagasco would be enlarged by taking in the South Australian Oil and Gas Corporation. To use the financial jargon that is common, it was decided that the best way of implementing the merger was to back the South Australian Oil and Gas Corporation into Sagasco. It was purely a paper deal, with no money involved. In making this announcement, Sir Bruce Macklin, chairman of Sagasco, stated that he welcomed (and I am quoting from the press release of Sagasco):

> ... the proposal as an opportunity to enable the fundamental value of Sagasco to be recognised by adopting a more commercial capital structure while simultaneously preserving the security and efficiency of gas supply to South Australian gas users ... In particular the directors of Sagasco believe that the proposal has the potential to enhance the value of the company as a result of the elimination of present Government restrictions relating to dividend policy and capital raisings and the increased ability of the company to expand the scope of its activities as a Cooper Basin oil and gas exploration participant and to engage in other appropriate commercial activities.
>
> The gas utility assets of Sagasco will be isolated in a new subsidiary which will be regulated by statute to maintain the existing secure and cost effective supply of gas to the South Australian public ... The proposal will require the approval of Sagasco shareholders, other than the State Government Insurance Commission, which will be sought at an extraordinary general meeting, to be held at the earliest opportunity. At the extraordinary general meeting the shareholders will be asked to approve, by special resolution, a five for one share split, which will increase the liquidity of the company's securities and provide a capital structure commensurate with the company's expanded resource activities and an increase in the company's authorised capital to $60 million to accommodate the proposed transaction ... The merger will be effected by way of an issue of approximately 56.2 million shares in Sagasco following the share split to the Government of South Australia in exchange for all of the issued shares in SAOG. This will result in the Government holding an 82 per cent interest in the merged group.

I should perhaps elucidate on what all that meant for Sagasco and for the Government as the *de facto* owner of the South Australian Oil and Gas Corporation. At the time of the announcement on 14 April 1987 Sagasco had on issue 2.44 million shares, which were selling at $9.50 on the share market. Those share prices, curiously to some people, had moved up in the three months preceding an announcement from a price of the order of $6.50 to $9.50. That valued the South Australian Gas Company on the share market at $23.18 million—in other words, the South Australian Gas Company was capitalised at $23.18 million by the share market.

The announcement from the Gas Company confirmed that there was to be a five for one split; in other words, instead of 2.44 million shares being on issue there would be 12.2 million shares on issue from the existing South Australian Gas Company, and an additional 56.2 million shares were to be issued to bring SAOG within this new enlarged group. So it was possible to say that if at the time of the announcement the South Australian Gas Company was valued at $23.18 million (and that being the equivalent of 18 per cent of the issued capital of this new enlarged group), then SAOG was being valued at $105.6 million, for 82 per cent of this new enlarged group.

I want to put on record the fact that the Liberal Opposition does not deny the logic and, indeed, merit of this merger. In fact, the Government knows only too well that the Liberal Government of the Hon. David Tonkin had looked very seriously at the merger possibility as far back as 1981 and, indeed, at the 1985 State election the Liberal Party had a policy of selling off 49 per cent of SAOG to the public and maintaining a controlling interest, through the Pipelines Authority, of 51 per cent. For many years there has been a strong interest and commitment on the part of the Liberal Party to freeing up the assets or utilising more actively the assets of the South Australian Oil and Gas Corporation. So, there should be no mistake: the Liberal Party welcomes this merger proposal.

In discussing the merger proposal, the Premier made the point that the South Australian Gas Company will remain as an existing listed company which will be subject to and governed by the Companies Code and Stock Exchange regulations and that it will act in a normal commercial manner. He made a point, which was also made by the South Australian Gas Company and which is also enshrined in the legislation that we have before us, that there will be two separate operational areas. The first will include the traditional gas distribution and sales activity as currently undertaken by Sagasco—and that is the gas utility operations involving distribution and sales.

The commercial activities, taking in the SAOG arm of the new enlarged group, embrace oil and gas exploration, oil and gas development, and retail and financial matters. Thus, a conscious decision was made to separate the gas utility activities—distribution and sales—from the non-utility activities, namely, oil and gas exploration within and outside South Australia, and other commercial activities. Again, this is something that the Liberal Party endorses, and quite clearly it is modelled very closely on the Australian Gas Light model. That company is a gas utility based in New South Wales.

So, the benefits of the merger, spelt out at the time of this first announcement nearly a year ago, were that it would strengthen the South Australian Oil and Gas Corporation, provide a greater ability to raise equity funds to finance exploration, retain control of the assets of the Cooper Basin and, of course, give the merged group more commercial muscle. To achieve the merger it is necessary to repeal both

the South Australian Gas Company Act of 1861 (it has been on the statute books for 127 years) and the more recent Gas Act of 1924. Those two Acts are to be replaced by the Gas Act of 1988. The regulatory powers of the existing Gas Act are included in this Gas Bill and the language has been brought up to 1988. The new group name will be amended to 'Sagasco Holdings Limited'. In December 1987 South Australian shareholders voted in favour of this merger at the extraordinary general meeting held to discuss the merger proposals.

The *Advertiser* of 19 December 1987 reported that there was at least one disgruntled shareholder, Mr Harry Lewis, 73 years, who described the proposal as trading in a Rolls Royce for a Valiant. He was saying that the South Australian Gas Company was the Rolls Royce and SAOG was the Valiant. In this free society in which we live, Mr Lewis is entitled to his views. I would disagree with it and suggest that the South Australian Gas Company has bought a Rolls Royce for the price of a few Valiants. I do not want to disparage in any way Mitsubishi, formerly Chrysler, the maker of the Valiant in South Australia, but suggest that Mr Lewis has fastened on to perhaps one of the sharper criticisms that can be made of this merger, albeit for the wrong reasons.

I want to spend some time examining the merger proposals, and the valuation of the South Australian Oil and Gas Corporation, because I have some concerns and criticisms about the way in which the South Australian Oil and Gas Corporation was valued and the level of that valuation. At the time negotiations for the merger commenced, which I assume would have been in February or March 1987, the South Australian Gas Company shares were selling at about $8.50. By the time the merger was announced, the price was $9.50. That valued SAOG at about $105 million. Back in 1985 the Liberal Party had valued SAOG at much more than that. SAOG was worth much more than that. South Australian Gas Company shareholders got a wonderful deal. SAOG has been backed into Sagasco at well under the price which it is worth. In fact, Capel Court, acting for the Gas Company, put a valuation of between $125 million and $150 million on SAOG after the announcement of the increase in gas prices came through. I will address that matter in a moment.

I am not critical in any way of the boards of Sagasco or SAOG. I understand perfectly that the Department of State Development, acting on behalf of the State Government, was effectively negotiating the merger from SAOG's viewpoint because the State Government, and ultimately the people of South Australia, were the real owners of those most valuable Cooper Basin assets—the oil and gas interests of SAOG. The South Australian Gas Company shareholders were represented by their board of directors, led by the well respected Sir Bruce Macklin. Obviously the chief executive of the Gas Company, Mr Drew Polglase, would also have been involved in those negotiations. They were trying for the best possible deal for their shareholders. No doubt exists that they were acting in the interests of their shareholders—they have a duty to do that. It is not in their interests to look after the State Government's interests as they have the primary responsibility of getting the best possible deal for the shareholders of the South Australian Gas Company.

I have an interest in two respects: first, for many years—in fact for a decade—I was an investment adviser with a sharebroking company which raised money for the South Australian Gas Company exclusively through bond and debenture issues in the 1970s. I have a good knowledge of and great respect for the financial acumen and managerial skills of the South Australian Gas Company board and management. Although I am probably not necessarily required to disclose it, I have a small interest in a floor of a building currently occupied by the South Australian Oil and Gas Corporation. I do not think that that pecuniary interest really merits baring publicly, although I have done so nevertheless.

I make quite clear that I do not have any criticism at all of the SAOG or Sagasco boards, but I am critical of the Bannon Government as it is certainly the villan in what is perhaps a financial melodrama. There has been much discussion within the oil and gas industry over the last year about the value of the South Australian Oil and Gas Corporation. Whilst leaders in the oil and gas industry would be coy to say so publicly, a general view exists that SAOG was worth much more than the $105.6 million that was the basis of its being backed into the South Australian Gas Company.

I have spoken to many key people, both here and interstate, who believe that SAOG was valued at only half its true worth. The shareholders in the South Australian Gas Company certainly thanked their directors, because the Easter Bunny came early in 1987 and left a very big golden egg. Following the announcement of the merger, South Australian Gas Company shares leapt from $9.50 to as high as $14.50, involving an increase of about $5. Indeed, they rose 42 per cent in the week following the announcement of the merger.

The major oil and gas producer, Santos Limited, which has its headquarters in South Australia, at the time had just taken over Vamgas, which it had valued at $200 million for the purposes of the takeover. An industry analyst agreed that valuation was comparable with the valuation for the South Australian Oil and Gas Corporation.

More importantly, I cannot understand why the Government pressed on with the announcement of the merger proposals when it knew that the price of gas was set to rise, that the Cooper Basin gas price arbitration proceedings were at an end and that the announcement of gas price rises was imminent. Quite clearly, any increase in the gas price would add to the value of SAOG.

The Premier knew that the independent arbitrator's decision was imminent. This was particularly important for SAOG, because it had more to gain from a significant increase in the gas price than pretty well any other gas producer in the Cooper Basin. SAOG has mainly gas condensate and LPG in South Australia, so it would be a major beneficiary of any gas price increase. Before the arbitrator's decision was made, financial analysts and oil and gas industry leaders agreed that the valuation of $105.6 million for SAOG was far too low but, after the gas price was increased by the independent arbitrator, it brought into even greater focus how undervalued SAOG was for the purposes of this merger.

Let me explain what happened when the independent arbitrator handed down his decision. For many years there had been a difficulty in the sense that the gas price that Cooper Basin producers obtained in Sydney was much lower than that which they obtained in the South Australian market. The 1987 decision was regarded as a benchmark decision because, for the first time, New South Wales and South Australian gas prices were brought into line. The New South Wales price of gas was increased from $1.01778 per gigajoule to $1.6033 per gigajoule. That was a massive 63 per cent increase in the gas price into the New South Wales market.

The New South Wales gas price became equal to that in the South Australian market. That decision was announced on 24 April, which was just 10 days after the Premier had

announced with a fanfare of trumpets the merger of the South Australian Gas Company and the South Australian Oil and Gas Corporation. The *Age* of 25 April stated in a very polite fashion what many oil and gas company analysts said. Page 25 of the *Age* of 25 April states that the outcome of the Cooper Basin gas price arbitration proceedings represented something of a windfall for the relatively small public component on the Sagasco register and, indeed, even adds value to the 82 per cent shareholding that the South Australian Government will hold in the enlarged company. The article continues as follows:

> SAOG holds a 14.3 per cent voting interest in the Cooper Basin gas partnership and something around 40 per cent of the merged group's revenues of roughly $100 million will come from gas sales.
>
> Given that the increment in the gas price will flow directly through to Sagasco's bottom line it appears that the bigger than expected increase will add about $6 million pre-tax to the group's earnings.
>
> After tax, that would amount to earnings of $3 million, supporting the conclusion produced by more sophisticated cash flow assessment which indicate that the price rise adds about $30 million of value.
>
> Given that Sagasco's earnings will be sheltered by tax losses for some years, the figures in fact probably underestimate the benefit of the arbitrator's decision.

The article further states:

> Following yesterday's bonus Sagasco's shareholders, who now hold shares in a company which will be structured like any other, with a deeper and far more attractive market for their shares and the prospect of expansion well beyond Sagasco's previous existence as a gas utility could be forgiven for thinking that Christmas has come early.

I believe that is a very gentle comment from a fairly perceptive financial analyst, Stephen Bartholomeusz, in the *Business Age*, which is undoubtedly one of the premier financial papers in Australia.

The proposition is a simple one. The Bannon Government showed remarkable financial naivety in selling off SAOG before the independent arbitrator announced the gas price for both Sydney and Adelaide. It was going to be a watershed decision and that was well known. The arbitrator's decision was imminent. SAOG had more to gain from an increase in the gas price because, as I have mentioned, its interests are mainly gas condensate and LPG in the Cooper Basin.

The price paid by AGL in New South Wales was $1.01 and the South Australian gas price was $1.50. With Cooper Basin gas supplied in roughly equal quantities to South Australia and New South Wales, the average price prior to the announcement of the increased price received by producers was about $1.25. It was known that the arbitrator would determine a common price for gas in both South Australia and New South Wales. If, for example, there was a 20 per cent increase in the price of gas to $1.50 that would net SAOG an additional profit of about $7 million. That is my calculation and I believe it to be accurate. If a company on the Stock Exchange attempted to sell off an asset prior to an announcement that could add greatly to the value of that asset, the shareholders would be justifiably outraged. So, I believe that the shareholders of South Australia should be outraged and should condemn the Bannon Government for flogging off a valuable asset, which belonged to the people of South Australia, ahead of such a critical decision.

Quite clearly, any increase above the existing prices had to be a bonus to South Australian Gas Company shareholders. It was an incredible financial blunder from a Premier who, in the days just before the announcement of the merger, had been crying poor. In effect, we are saying that the producers received an effective 28 per cent increase in the price for Cooper Basin gas, given that the South Australian and New South Wales markets were roughly equal. On my calculations—and this has been verified by industry sources—SAOG would earn an extra $10 million profit per year as a result of the increase in the price of gas. If one wants to put that into market terms, using a conservative multiple of, say, 7.5, that would add $75 million to its value.

Quite frankly, I think that shows what an error was made by the Premier. The only ones who would benefit from the blunder that was made by the Premier were the few shareholders in the South Australian Gas Company. Their shares rocketed by $4 from $9.50 in the days following the merger, and then to over $14. Interestingly enough, at the time of the merger three members of this Council—the Hon. Carolyn Pickles, the Hon. George Weatherill and the Hon. Mario Feleppa—were members of a select committee that was inquiring into energy needs and were unanimously fighting for greater Government control of SAOG. Quite clearly, there was anger and embarrassment at the Premier's decision to move for the merger of the South Australian Oil and Gas Corporation and the South Australian Gas Company.

The Hon. G. Weatherill interjecting:

The Hon. L.H. DAVIS: No, energy needs; that was another one. It probably feels the same, George, but it is different. One of the other aspects about which the Government has been coy is its intentions with regard to its holding. What has effectively occurred is that the Government now has a controlling interest in a publicly listed company. Through its holding in SAOG, the Government has an 82 per cent interest in the South Australian Gas Corporation.

In answer to questions in another place the Premier admitted that in time the Government might dilute its interests in the new South Australian Gas Company group. In other words, the Government could well sell off some of its holdings and privatise its interest in the South Australian Oil and Gas Corporation. I find that quite ironic, because it was less than three years ago that the Prime Minister, Mr Hawke, described as 'ideological claptrap' Liberal privatisation policies in the State election. Only in December 1985 Premier Bannon said that privatisation was 'hocus pocus' economics. It would seem in my view that there is every likelihood that within the next few years the Government will dilute its interest in the South Australian Gas Company.

Finally, I again indicate that the Liberal Party supports the merger. The reasons for the merger have been clearly stated and the benefits flowing from it are self-evident: that South Australia will, through this new enlarged investment vehicle listed on the Stock Exchange, retain control of valuable oil and gas exploration interests in the South Australian Cooper Basin; it will maintain control of the production of oil, condensate and gas; and, of course, through the gas utilities monopoly for the reticulation of gas, it will continue to benefit in that direction. I support the second reading.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Interpretation.'

The Hon. L.H. DAVIS: Clause 4 (2) refers to a person having a significant shareholding. Is it the intention to limit the shareholding of any shareholder to no more than 5 per cent of the total number of issued shares in the new group? I cannot find reference in the legislation to a restriction on shareholdings or to a person having shareholdings. Quite clearly, with the Government holding 82 per cent of the shares of the enlarged group, there is no worry about control passing to any other person. I am puzzled why this provision has been included in the Bill.

The Hon. BARBARA WIESE: The honourable member is quite right; no provision in the proposed legislation would restrict the shareholding of anyone. It would appear that this provision has been picked up inappropriately in the drafting of the Bill. It would be undesirable to move an amendment to delete the provision at this stage because the amended Bill would have to go back to the House of Assembly for endorsement and, since the date of the proposed merger is looming this week, if the honourable member agrees I will undertake to draw this matter to the Minister's attention so that if tidying up amendments are required subsequently that provision can be withdrawn. Because there is no indication in the Bill that a person's shareholding would be limited, the inclusion of the provision would not affect the operation of the legislation if the Bill was passed in its present form.

The Hon. L.H. DAVIS: I agree with what the Minister has said. The provision regarding a person with a significant shareholding falls into limbo, because that matter is not picked up under any other clause. Quite obviously Sir Humphrey has been on holidays. I understand there is some urgency in the passage of this Bill, and I am pleased that the Minister has agreed to consider the matter and correct it in due course.

Clause passed.

Clauses 5 to 15 passed.

Clause 16—'Fixation of maximum prices for reticulated gas.'

The Hon. L.H. DAVIS: This clause refers to the Minister's fixing a maximum price for gas after consideration of a recommendation by the Prices Commissioner. Subclause (4) provides:

> The Minister—
>
> *(a)* must . . . have the Prices Commissioner conduct a review of the maximum prices fixed under this section;
>
> and
>
> *(b)* must, within 10 weeks of the date of the request or such longer period as may be agreed by the licensed gas supplier—
>
> (i) inform the supplier of the result of the review; and
>
> (ii) make any adjustment to the maximum price of gas that the Minister considers desirable after consideration of the Prices Commissioner's recommendation.

In other words, there could be quite a long lead time in setting an increase in the price of gas. Clearly, the legislation provides for that and I do not quibble with that issue, given the complexity involved in considering this matter. It occurs to me that we are perhaps not far away from another increase in the price of gas. The last increase of 9.1 per cent occurred on 13 August 1987—eight months ago. Another increase in the price of gas may well be scheduled for 1988. Can the Minister say whether she anticipates an increase in the price of gas this year? She may have to take this question on notice.

The Hon. BARBARA WIESE: Unfortunately, I cannot answer that question at this time. I will take it on notice and bring back a reply if I am able to obtain that information from the Minister.

Clause passed.

Clause 17—'Power to cut off gas supply.'

The Hon. L.H. DAVIS: Clause 17 contains the provisions for cutting off gas supplies. Presumably these provisions operate flexibly. Does clause 17 vary in any way the existing provisions relating to cutting off gas supplies?

The Hon. BARBARA WIESE: I am advised that the provisions in the current Bill are intended to reflect the current legislation. Therefore, as far as I am aware, it is identical. If there are changes then they would be of a minor drafting nature, but it was the Government's intention to reflect the current provisions in the Bill.

Clause passed.

Clauses 18 to 20 passed.

Clause 21—'Special provision as to shareholding in the holding company.'

The Hon. L.H. DAVIS: I am not sure whether this is the appropriate clause but one of the points that has been made about this new merged group is that it will continue to trade on the Stock Exchange. It will certainly be a much larger group and, with the five to one split, all existing shareholders in the existing South Australian Gas Company will, of course, have more shares and that will perhaps mean more trading in Gas Company shares. However, it is still a very small company in terms of shareholders and it could be that over time there will be fewer shareholders rather than more shareholders. Many small shareholders in the Gas Company may be encouraged to sell their shares because they have five times the number: they now have a marketable parcel. They may take the opportunity to sell out of what has, in the past, been too small a holding.

It occurs to me that it would not be impossible to reach a situation where there may be some breach of Stock Exchange listing requirements. I believe that is most unlikely but I raise the point that the South Australian Gas Company is quite small by public company standards, that is, companies listed on the Stock Exchange. Is the Government confident that it is unlikely that Stock Exchange listing requirements will be breached because, if they are, it would disfranchise the remaining shareholders of a market for their shares?

The Hon. BARBARA WIESE: It is not expected that the new company could get into a situation where it might breach the Stock Exchange listing requirements. The new board of this company is very experienced. It would certainly take these considerations into account in its work and would be very aware of the potential dangers involved. In particular, it is not expected that such a situation would arise because, in fact, the new company—the expanded company—is a more favourable proposition than the previous situation when Sagasco was operating on its own.

Clause passed.

Clause 22 passed.

Clause 23—'Transfer of employees.'

The Hon. L.H. DAVIS: Can the Minister say how many people are currently employed by SAOG?

The Hon. BARBARA WIESE: I cannot give the precise figure, but I understand that the employees with SAOG range from 100 to 130 people.

The Hon. L.H. DAVIS: The annual report for the year ended 31 December 1986 stated:

> SAOG currently has a staff of 54 people of whom over half hold tertiary qualifications: geologists, geophisicists, engineers, computer scientists and accountants. SAOG has the management and technical ability to carry on most operations within the petroleum exploration and production industry.

Does the Minister anticipate that all those staff will be retained? Has any decision been made about retention of staff by SAOG?

The Hon. BARBARA WIESE: The estimates that I have made in relation to staffing may very well be inaccurate. I will be happy to provide up-to-date information about the staffing arrangements with SAOG. I wonder why the honourable member has asked the question, if he has the information in front of him—but that is another matter.

The Hon. L.H. Davis: This relates to 1986 figures and is 16 months out of date.

The Hon. BARBARA WIESE: Anyway, it is the intention, as I understand it, that all existing staff with SAOG

will be retained. So, I do not anticipate that there will be a problem even though we might not have the numbers right at this stage.

The Hon. L.H. DAVIS: I must say that I am a trifle surprised at that answer. I accept that whilst there is synergy in the sense that on the one hand we have oil and gas exploration and production interests being married with the gas reticulation and distribution interests, there is not necessarily a large degree of overlap in terms of jobs. But I would have thought that some benefits might flow from the merger: for example, one would presume that there would be benefits in the accounting area or in the clerical area. I am very surprised to hear the Minister say that there will be no savings in terms of employment. Perhaps the Minister might care to obtain a fuller answer in relation to this matter.

The Hon. BARBARA WIESE: As to the question of whether or not existing staff would be retained, I am advised that it is intended that all staff who are currently employed by SAOG will be retained. That is not to say that over time savings will not be achieved by the new company in reorganising its activities once the merger has taken place. Certainly as part of its responsibility in managing this new company the new board will be examining the staffing arrangements and management procedures, etc, in establishing the company. Over time there could very well be savings in staffing due to attrition or by some other means once the work of the company gets under way. However, I repeat: at this stage and at the time of the establishment of the new company it is not anticipated that there will be any shift in the current staffing arrangements.

The Hon. L.H. DAVIS: I thank the Minister for her answer. I accept that benefits might flow on over a period of time from attrition, and I accept that SAOG, quite clearly, would not wind down its employment ahead of the merger being confirmed in Parliament, as that would perhaps be commercially imprudent. However, I would hope that benefits might flow from the merger in terms of the number of employees in this new enlarged group. I would appreciate it if the Minister could provide me with some further information on this matter.

The Hon. BARBARA WIESE: I shall be pleased to obtain whatever information is currently available in this matter.

Clause passed.

Clause 24 passed.

Clause 25—'Certain profits of utility company to be transferred to reserve.'

The Hon. L.H. DAVIS: I find that this clause requires some explanation. It provides:

> If the utility company's profit for a financial year (after making provision for income tax) exceeds the prescribed amount, the excess must be transferred to a separate account (the 'statutory reserve account') established for the purposes of this section.

The 'prescribed amount' is then defined by a very complex formula—which I must say I have not had the chance to work through yet. I am wondering whether the Minister, who is obviously very much on top of this Bill, and with the benefit of her new-found numerical skills, could explain exactly how this clause operates.

The Hon. BARBARA WIESE: I would prefer to provide a written example for the honourable member, which I will do in a moment, and he can peruse that at a later time, as I am sure he will want some time to study it. It is best illustrated by example, and the example that I will provide indicates exactly just how the formula contained in this clause will work. Leaving aside the subtleties of the formula, broadly it is intended to provide the following result: if a profit after tax exceeds 2 per cent above the bond rate then 50 per cent of the balance is distributable at the Minister's discretion. This is intended to assist the company to achieve efficiency gains.

Clause passed.

Clause 26—'Restriction on dealings by utility company.'

The Hon. L.H. DAVIS: I take it that the restriction that applies on dealings by the utility company with or for the benefit of the holding company, such that it cannot enter into a transaction with or for the benefit of the holding company unless authorised by the Minister, is designed to reinforce the wall that exists between the gas utility on the one hand, currently represented by the South Australian Gas Company, and the oil and gas exploration production and financial interests represented by SAOG currently on the other hand.

The Hon. BARBARA WIESE: The provision is designed to ensure the arms length nature of the transactions between the two. The honourable member's understanding of this clause as he has outlined is correct.

Clause passed.

Remaining clauses (27 to 34), schedule, and title passed.

Bill read a third time and passed.

ELECTRICITY TRUST OF SOUTH AUSTRALIA ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 29 March. Page 3571.)

The Hon. I. GILFILLAN: The Democrats read this Bill with mixed feelings. We believe that the accent on vegetation clearance is important as far as ETSA is concerned and for the consumers and people of South Australia, and measures proposed by the Bill are such that it is a more palatable Bill than the original. We can be grateful that steps have been taken to moderate the extraordinary claims made by ETSA in its original draft, interpreted in an allegedly Government Bill. I do not intend to dwell on that.

It is important to recognise that with the panic reaction to the dreadful Ash Wednesday fires, steps have been taken which the Democrats believe are excessive. I will discuss them briefly in my second reading contribution. Comments have been provided to me from Mr Bruce Dinham, the previous general manager of ETSA prior to the current manager, Leon Sykes. For that reason the comments he makes are particularly significant and I will quote him.

In the Bill we have the issue of ETSA absorbing Statewide responsibility for providing electric power. Prior to this, some authority had been vested in councils to do that. Much has become redundant and it may seem reasonable housekeeping for ETSA to assume totally the authority to provide electricity throughout the State. I will quote Mr Bruce Dinham on that point in regard to ETSA's statutory powers as follows:

> Under existing legislation the responsibility for generating and distributing electricity for public supply rests initially with the district or municipality council for the area under the Local Government Act. In the City of Adelaide and some metropolitan council areas this responsibility was transferred voluntarily many years ago to the Adelaide Electric Supply Co. (or it predecessor) under the terms of that company's Act. In some country towns, for example, Port Lincoln and Mount Gambier, it was transferred to ETSA, after a favourable poll of ratepayers, under provisions of the Local Government Act. In other cases ETSA supplies under the present ETSA Act which provides (Section 40 (1) *(c)*) that with the approval of the council concerned it may supply electricity direct to consumers within the council district or municipality.
>
> The later provision is wiped out by clause 4 of the Bill and under clause 4 ETSA becomes effectively a Government monopoly over which council would have virtually no influence or control. It might be argued that this is already, to a large extent, the practical situation. However, it is important to remember one

fundamental fact—that ETSA (and other large electricity undertakings) only exist because generally, through economies of scale, higher efficiencies and use of cheaper low grade fuels, electricity can be generated in large central power stations and delivered, even over long distances, to consumers more cheaply than they can produce it themselves. While this is true as a general rule it is not necessarily the case in particular circumstances. At Peterborough, for example, because of a favourable long term gas contract, the council prefers local generation to ETSA supply. Also what may be true generally at present may not remain so in the future.

I emphasise the next comment as it is relevant—

As conventional fuels inevitably become more expensive—

which is a long-term Democrat point and emphasised by us on frequent occasions—

alternative sources of electricity generation will become more econmic. Some of these, such as solar and wind, will be less dependant upon economics of scale and more suited to local deveopment and control. This could apply especially in areas where transmission costs from existing power stations are high, such as the West Coast and the South-East.

The present Government policy of concentrating upon development of poor quality local coals, while commendable in some respects, will result in electricity costs in this State being among the highest in Australia. In these circumstances large consumers may wish to install their own facilities, individually or jointly. It is quite likely that a privately built and operated power station burning imported New South Wales coal could produce electricity much more cheaply than an ETSA station using any of the new low grade local coals all of which will be expensive to mine and burn.

It is most important therefore that ETSA should not be allowed to become in any way a monopoly but should be open to competition from both private industry and local government. Such competition shuld be encourged whenever reasonably possible to help preventETSA becoming a large self-seeking monopoly, subservient to trade union demands and interested mainly in preserving its own comfortable existence.

It is very significant to remind honourable members that that was the previous general manager of ETSA making those comments. In reference to the issue of tree cutting—a major aspect of the Bill—Mr Dinham states in regard to tree cutting adjacent to power lines in reference to the Bill:

In any logical and objective consideration of the question of trees and power lines it is necessary to distinguish between trees in two categories:

(1) trees as conductors of electricity which can cause short circuits if they touch or come within arcing distance of high voltage lines—

for ETSA in this State it is 11kV or 11 000 volts and above—

(2) trees as sources of falling or wind blown debris which can cause damage (including short circuits) if it falls across wires.

The extent to which tree cutting is needed to avoid problems in category (1) must be done and be readily determined. Knowing the voltage and physical characteristics (span, sag, conductor size, etc.) of the line and assuming certain extreme wind and temperature conditions, cutting to this extent, to achieve electrical clearance, is an essential about which there can be no argument and it is not difficult to lay down firm instructions about it. Category (2) is different because the extent to which a tree may need to be cut, if at all, is usually arguable depending upon what degree of risk there is of it breaking or falling. This requires a judgment to be made in each case and this can only be done satisfactorily on the spot.

A general instruction requiring trees to be cleared within some specified distance or angle from the line, beyond that needed for category (1), is not satisfactory because many trees would be cut needlessly with unnecessary expenditure and environmental damage. At the same time some trees which should be cut could well remain outside of the specified limits. The best way to deal with trees in this category is for regular line patrols, which have to be done in any case, to check for damage, such as broken insulators, as well as encroaching trees, to be carried out by properly trained and experienced personnel capable of making these on the spot judgments. Incidentally, trees in category (2) are in the same position as corrugated iron sheds, roofs, advertising signs, radio and television antennae and other sources of falling or flying debris.

Under the terms of the Bill, ETSA's tree cutting instructions would be contained in or derived from regulations referred to as 'the principles of vegetation clearance'. Without knowing what would be in these regulations it is not possible to assess the full effect of the Bill.

The Democrats are very concerned that the principles of vegetation clearance are not defined. There is great uncertainty which, taking the two extremes, could leave the environment of power lines devastated of vegetation, or it could leave the power lines fraught with risk of starting fires. The letter further states:

It is noted, however, that the Bill would give ETSA a right of forceful entry into private property.

The Democrats are very concerned about this right of forceful entry. It may well be (and we are considering with Parliamentary Counsel the form of drafting of the amendments) that this should be either opposed or deleted. The letter further states:

In the 90 years history of electricity supply in this State, such a right has not been needed or seriously sought before, which raises misgivings about what the regulations might contain to prompt such a move now. A right of forceful entry to private property is generally regarded as somewhat extraordinary in our society, usually associated with organisations such as the Police Force, and even then only available in special circumstances and subject to firm controls.

The sort of situation which could well arise under this Bill is one where ETSA, having built a line along a public road near trees on an adjacent private property, now wants to cut the trees. The property owner objects because the trees have aesthetic or commercial value or provide a useful amenity such as shade or a wind break. ETSA could completely ignore his objections and enter the property, breaking down fences or forcing locked gates to do so. It could, presumably, even use physical force against him and anybody else on the property considered to be acting uncooperatively. It could then destroy or mutilate the trees, ruining their value to the property owner, and be under no obligation to consider any claim for loss or damages.

If such an overbearing right for ETSA is to be entertained at all (even though there is no good justification for it), then the Bill is seriously deficient in not providing proper protection for those people who would be affected by ETSA's exercise of such a right. There should be at the very least provision for objection, for appeals and for discussion with ETSA for its intended alternatives.

Those alternatives are outlined in more detail in the letter, but at this stage I will not quote them. The letter further states:

Action should also be taken to require ETSA to undertake a positive program of undergrounding aimed at reducing the need for tree clearing, particularly in areas where trees are an important part of the landscape such as the Adelaide Hills, Barossa Valley, and around Clare, etc. Other than undergrounding in new subdivisions, which is paid for by the developer, and in a few cases for technical necessity, ETSA has done little more than token undergrounding in recent years.

I emphasise that last sentence and remind members that this is a quote from the previous General Manager of ETSA, the very organisation with which this Bill is concerned. I repeat:

ETSA has done little more than token undergrounding in recent years.

The letter continues:

In 1986-87 ETSA spent $442 000 on undergounding, all in built-up areas. This is typical of expenditure in earlier years and represents only 0.07 per cent of ETSA's present annual income of more than $600 million. ETSA should be required to allocate a certain amount each year, say 0.5 per cent of its income, which would give $3 million in the first year, for undergrounding existing mains, the greater part to be spent on work aimed at reducing tree cutting in scenic areas of high fire risk. Such an amount is small compared with the amount of over $30 million per annum which the State Government takes from ETSA in taxes. There would be partial offsets through savings in tree cutting costs and, in the longer term, insurance premiums.

As a matter of fact, the actual amount contributed by ETSA to State revenue is 5 per cent of sales, and for 1986-87 it was $29.4 million.

Mr Dinham commented about private lines, and honourable members who have examined the Bill will see that the definitions distinguish between what is described as a private supply line and a public supply line. Clause 3 states:

'private supply line' means a part of the distribution system—
(a) designed to carry electricity at a voltage of 19 kV or less;
(b) situated on, above or under private land; and
(c) supplying or intended to supply electricity to some point on the land:

The Hon. M.B. Cameron: That's all swer lines, isn't it?

The Hon. I. GILFILLAN: I do not know whether the Bill defines it as such.

The Hon. Peter Dunn interjecting:

The Hon. I. GILFILLAN: What about 'or less'. Would that embrace others? I have been asked whether or not 'private supply line' applies to swer lines, and I am grateful that the Hon. Mr Dunn has indicated that under the 19 kV line there are occasions where it returns to 'public supply line'. I am looking at the Hon. Peter Dunn to see whether I have understood his interjection correctly.

The Hon. Peter Dunn: That's correct.

The Hon. I. GILFILLAN: Mr Bruce Dinham, referring to the private line, states:

The term 'private line' used in the Bill could be misleading. A so-called 'private line' is actually an ETSA line which crosses private property and gives supply to the property. Most properties supplied by ETSA, whether in city, towns or country, would have a 'private line' over them. ETSA's overhead service wires connecting from a pole in the street to a house, for example, become a 'private line' where they cross the property boundary.

There is no question of ETSA's right of normal access for 'private lines'. Because they give supply to the property they have obviously been erected with the owners consent, and ETSA's right of access to maintain them is contained in its contractual 'conditions of supply' and/or in any easement that may have been granted by the landowner. However, in neither case is there any right of forceful entry; nor is there any need or justification for such a right. If the landowner or consumer refuses access ETSA can disconnect the supply and recover its equipment. If a right of forceful access is to be imposed in the case of 'private lines', then property owners need the same protection from bureaucratic abuse as mentioned previously, that is, they should have rights of objections, consideration of alternatives and of compensation.

The letter makes some other comments about treecutting which I will now read. It states:

Treecutting near high-voltage lines in particular should only be done by properly trained and skilled personnel with the right equipment, otherwise it can be very dangerous.

I emphasise that fact. It appears that this Bill will place pressure on the private landowner to do work relating to vegetation clearance from private lines which previously he or she would not have had to consider. This opens up a large scope for risk about which I am very nervous. I am most uneasy that, as the Bill is currently drafted, this could result in considerable injury and, more than likely, death. The letter continues:

Even ETSA has had serious accidents, including at least one fatality, doing this work. To place the responsibility for this kind of work on property owners, most of whom would obviously not have the necessary training and experience or suitable equipment, would be grossly irresponsible. ETSA should be criticised for allowing such a proposal to be put forward.

I now come to a major area of the Bill, namely, the exemption of ETSA from claims for damages under certain circumstances which have been modified from the original draft, but which still require very critical analysis. The letter continues as follows:

The Bill would exempt ETSA from any claims for damage resulting from fires of 'electrical origin' caused by ETSA lines or equipment except for damage to the property on which the fire starts.

The latter proviso no doubt reflects the fact that for many years now ETSA's standard form of easement for power lines has included a condition indemnifying the property owner against any loss or damage arising from the presence of the line on the property. Clearly, it would be an act of bad faith if ETSA were to repudiate this condition, especially as many easements may not have been granted without it.

As far as seeking this exemption is concerned, Mr Dinham, the previous General Manager of ETSA, said:

Exempting ETSA in this way would do nothing to prevent fires. In fact, it could increase the risk by reducing ETSA's incentive to take preventive action.

That opinion is further reinforced by a legal opinion acquired by the Insurance Council of Australia from Patric Alderman in the matter of a Bill to amend the Electricity Trust of South Australia Act 1946, as amended, as follows:

Legislation to relieve ETSA from civil liability for negligent causation of electrical fires is unwarranted. Such legislation will:
(a) Relieve ETSA of having to maintain a standard of care to protect the public from injury and loss.
(b) Reduce compliance with accepted standards of proper electrical safety practice.
(c) Result in landowners having a potential liability though the negligent act or default may rest with ETSA.
(d) Increase the cost of available insurance.
(e) Leave a landowner with a substantial personal liability incapable of cover by insurance.

On the issue of the actual liability exemption, members will no doubt have heard some of the argument in the second reading speech. In my opinion, the same argument could well be applied to any property owner. In the Government's mind, the people who will be expected to pick up the insurance cover or the indemnity which ETSA is shovelling off could argue equally cogently that they are unjustifiably penalised by having this responsibility loaded onto their shoulders. It is very hard to see the logic which the Government and ETSA are putting forward, namely, that ETSA is entitled to an exemption that is peculiar only to ETSA. It does not apply to those landowners who would become, in default of ETSA, the responsible parties for a wide-ranging and damaging fire.

I have had some advice from officers of the Department of Mines and Energy and ETSA about what the insurance situation was, is and could be. It is my understanding that in 1983 there was a premium of $75 000. Obviously that was very much a token premium where there had been no proper calculations of real risks. Once the impact of the Ash Wednesday fire came into effect, the premium leapt to $8 million, as it currently applies for 1988, and my understanding of the advice I received was that that figure carried an excess of $25 million; a $300 million maximum for any one event—the definition of 'one event' covers more than one fire episode, provided that the fires started from separate and detached incidents—and that the maximum of $300 million per event applied for one week. So, if there was a further disaster a week later, that limitation would no longer apply. The saving in the premium from the passage of this Bill would be $2 million.

That is the advice that I have received, but it seems to me to be relatively paltry in comparison with the extensive surrender of responsibility that ETSA seeks in this Bill. I indicate that the Democrats are not prepared to support the granting of an exemption to ETSA along the lines of the Bill and feel that it is quite unfair and unjustified.

There are in the Bill a few further matters which are of significance. I refer to the responsibility of a consumer or landholder for vegetation clearance under private lines. The Bill contains a definition of 'distribution system', as follows:

'distribution system' means—
(a) the network of cables by which the Trust transmits and distributes electricity;
(b) the associated transformers and equipment of an electrical or other kind;

(c) structures for the support of any such cables, transformers or equipment;

and includes any cable, transformer, equipment or structure used on a temporary basis for purposes related to the maintenance, repair or replacement of any part of the distribution system;

In the opinion of the Democrats there is a need to define where the distribution system ends: at what point in the supply to the consumer does the distribution system, as described in the Bill, stop and the equipment become the full responsibility of the consumer? Because the term is used in the legislation and will have significant consequences, the Democrats believe that it should be defined. We are uncertain at this stage which we would prefer of two options that have been put to us: first, that the distribution system should end at the meter box or at the secondary terminals of the trust's supply fuse. It is our intention to make a decision on that point and present an amendment to define what is described as the 'distribution system'.

The other issue that concerns the Democrats in relation to the definition of 'lines' and 'private lines' in the Bill. Clause 39 (2) states:

The occupier of private land has (subject to the principles of vegetation clearance) a duty to take reasonable steps to keep vegetation (other than naturally occurring vegetation) clear of any private supply line on the land in accordance with the principles of vegetation clearance.

That clause makes us feel particularly uneasy in relation to, as I mentioned before, the question of the responsibility for clearing vegetation and the physical risk that will occur to people. There is also the issue of legal liability. As Bruce Dinham clearly spelt out, there is a rather spurious distinction between what is public and what is private. The fact that the line is installed and maintained by ETSA and must not be interfered with by the consumer surely puts in some doubt the definition of 'line' as described in the Bill as being a private supply line. It may supply electricity to a private person but, without exhausting the argument at this stage, the Democrats are very uneasy about it. However, we are even more uneasy about the legal liability which flows from it.

We have the option of either moving an amendment to delete that subclause entirely or defining the private supply line as purely the cable that is necessary to carry power into a private house, a facility or premises that use power from a set point in regard to which ETSA can properly be exempted from responsibility, and it seems to us that that point may well be the attachment of the supply line to the building that will consume the power. We intend to consider an appropriate amendment in that regard.

The Bill contains a five year sunset clause regarding ETSA's indemnity. That is more likely to be appropriate if we consider ETSA's liability in relation to the consequences of the cut-off of power. Members will note that under the Bill ETSA is empowered to cut off the supply of electricity to avert the danger of bushfire, but the Bill also exempts ETSA from the consequences of the cut off of power.

The Hon. M.B. Cameron interjecting:

The Hon. I. GILFILLAN: That may be so, but I am uneasy about the complete exemption of the consequences. If individuals suffer financial loss through this arbitrary act by ETSA, is it fair that they should be left without compensation? That question can be discussed further in Committee. I raise this matter in the context of the sunset clause (and I would like the Leader of the Opposition to follow this matter through in Committee) so that there is provision whereby people who are informed that they are at risk of having their power cut off can make other arrangements, as the Leader interjected. However, they need time to do that, and planning is necessary. Some people may not be aware that they are in an at risk situation. In Committee I intend to propose a sunset clause, because I want to ensure ETSA's continued liability for a certain period to allow those at risk of having their power cut off to make reasonable arrangements. I will not dwell on that point now; I will come back to it in Committee.

The Hon. M.B. Cameron: I will have a few words to say about it.

The Hon. I. GILFILLAN: Do you understand the point I am making?

The Hon. M.B. Cameron: I understand it, but it is a long time since Ash Wednesday.

The Hon. I. GILFILLAN: The Leader says that it is a long time since Ash Wednesday, but ETSA's power to cut off the supply of electricity is sweeping. That could occur anywhere, not necessarily in areas that were affected by the Ash Wednesday fires. If there were nervous Nellies at the switchboard, all sorts of consequences could occur.

Finally, I refer to some observations made in a second reading explanation as to how ETSA's exemption does not set a precedent because sections of other legislation apply in a similar way. We do not believe that to be the case. The second reading explanation cites Telecom as an instrumentality in relation to which an exemption applies. Section 101 of the Telecommunications Act 1975 relates to error, omission, or loss or non-transmission of a message; it does not relate to direct physical damage of one's property as a result of Telecom's negligence.

Secondly, the Highways Department was cited as an example. Section 29 (1) of the Highways Act 1926 provides indemnity where an officer has acted in good faith. However, where the officer has acted with negligence, action is possible against the Commissioner within six months after the cause of the action. Thirdly, the Country Fires Act 1963, section 63, provides indemnity where a person has acted in good faith and without negligence. Again, that indemnity applies only where there is no negligence. Finally, the Wrongs Act 1936-1986, section 35 *(a)*, is cited; this relates to non-economic loss and compensation is limited to $60 000. Therefore, that is an inappropriate example. This Bill provides that the trust will not be liable for any damage caused by the spread of fire. At least under the Wrongs Act compensation up to $60 000 is provided.

The second reading explanation implies that, as limited liability already exists in relation to these other Government instrumentalities, this Bill does not set a precedent, but, after analysing the sections of legislation cited as examples, we believe that this Bill does set a precedent—and a dangerous one at that. The precedent is that, even if ETSA is negligent and property damage is sustained by owners on property other than that where the fire commenced, the trust will not be liable for damages.

The Hon. M.B. Cameron interjecting:

The Hon. I. GILFILLAN: Do you agree with the thrust of what I am saying?

The Hon. M.B. Cameron: Yes.

The Hon. I. GILFILLAN: I will not comment further at present except to say that the Democrats are sensitive to the enormous complexity of the problems that confronted ETSA; we are sympathetic and we believe that the trust has made reasonable efforts. However, there must be more effort, even if funds must be surrendered from the 5 per cent of revenue that the Government is taking to speed up this work. But we believe that the way to go is to speed up the antidote, the correction, the prevention of tragedy rather than to make these rather pathetic attempts to avoid the responsibility that is properly and fully ETSA's.

If that results in an increased cost to ETSA, if the increased premium is an increased cost to ETSA and if the increased provision of safety measures and the undergrounding of cables result in increased costs to ETSA, to a certain extent that must flow on in increased tariffs, but the Democrats cannot see how one can argue any other way. This is the responsibility of ETSA and the sooner it achieves the optimum situation, the better for all. Unfortunately, this Bill does little to achieve that. We will support the second reading but there is constructive work to be done on the Bill, and we have great misgivings about it.

The Hon. L.H. DAVIS: Ash Wednesday, a little more than five years ago, on 15 February 1983, brought a fiery holocaust and death to many regions of South Australia. The Adelaide Hills, the South-East and the Clare Valley all suffered extraordinary destruction of life, property, vegetation and livestock. About 30 people died in the fire on Ash Wednesday. That tragedy in South Australia was matched in Victoria. Weather conditions on that dreadful day in 1983 were undoubtedly adverse with temperatures up to 42 to 43 degrees and winds gusting up to at least 80 to 100 km/h.

Some members in this House, particularly members of the Liberal Party, have cause to remember that day because they had farms, and they had friends, who were affected in a most dreadful fashion by that fire. On 16 March 1983, my colleague the Hon. Martin Cameron recalled, I am sure with some agony and some distress, the impact of Ash Wednesday in the South-East. He stated:

> Almost 400 farms and between 8 000 and 10 000 kilometres of fencing were destroyed in the area. Three hundred thousand sheep were destroyed and buried. There were 13 lives lost in the South-East. There were 10 000 cattle killed in the fire or afterwards.

It is perhaps almost superfluous to put a cost on all of that. One can never put a cost on human life but, certainly, the costs in terms of stock and property losses were enormous.

The cost of fencing at $2 000 a kilometre was $20 million. The cost of 300 000 sheep destroyed was $6 million. However, inevitably, after the fire stock prices rose sharply so the real replacement cost was closer to $9 or $10 million. The cattle lost had a value of $3 million but a replacement cost of much more than that. Sixty-six per cent of the Beachport council area was wiped out—137 000 hectares.

One can go on with examples not only from the South-East but also from the Adelaide Hills and the Clare Valley. It was a day which South Australia would prefer to forget, but there are some people who will never forget; there are some people who did not live to remember.

The irony is that the Electricity Trust of South Australia had never had a claim against it before for a fire. It had never claimed on its fire insurance until that day. One of the undoubted advantages of the Electricity Trust is the much maligned ubiquitous stobie pole. Certainly it is an advantage in a bushfire, as against wooden poles, which, of course are burnt down in a bushfire. The wooden poles are common in other States. The concrete and steel of the stobie pole certainly does not burn down.

There is no doubt that the Electricity Trust did an enormous amount of work to minimise the fire risk before Ash Wednesday and one would not deny that proposition. Indeed, ETSA workmen risked their lives on that day, as did so many other people. Workmen were injured and ETSA lost a truck in the fire. However, a court found the Electricity Trust liable in the McLaren Flat fire to the extent of $16 million damages. The Electricity Trust took advice and agreed to pay on claims in the Clare area where conducters were said to have clashed, creating the fire. In other words, ETSA settled before the court hearing.

I have a sympathy with ETSA in the sense that there are 60 000 kilometres of power lines, which, if put end to end, would go around the world one and a half times. There is an enormous amount of wire which it must maintain. Country areas, both in the Hills and in areas with vegetation, and also in open country, need constant monitoring. One can argue that there is no guarantee that on extraordinary days, such as we had on Ash Wednesday, where temperatures were over 40 degrees and where winds were at least 80 to 100 km/h, and arguably more, that wires would not clash, that flying debris would not lay across lines causing them to heat and ultimately to spark. One does not deny all of that.

Nor does one deny that the Electricity Trust of South Australia is faced with many dilemmas. To turn off the power on a day like Ash Wednesday is clearly a serious option which, in turn, could cause enormous difficulties. There are seriously ill people who require electricity for life, and there are people who require electricity for their livelihood, such as those who operate coldstores. There are Government departments which require electricity, particularly at times of a bushfire, such as the Engineering and Water Supply Department which must pump water to fire-vulnerable areas.

The trust is faced with another dilemma at times between fires, if one can put it in that fashion. It has the unenviable task of undertaking a role for which it is not popular with many people in the community, and that is in relation to trimming trees, lopping branches, in some cases cutting down trees, and removing ground vegetation, either on council property or private property. Electricity Trust workmen have the unenviable task of at times meeting with people who believe that nature rates ahead of safety for both people and property and who make it very difficult for the Electricity Trust to go about its necessary work.

There is also the dilemma of the Electricity Trust controlling the ground fuel that is so often a pre-condition to the occurrence of a major fire. So, it would be unfair and uncharitable to maintain that the Electricity Trust of South Australia is not without its difficulties.

The trust now pays $8 million a year in insurance premiums. It has a total $300 million cover, although I understand that there is some limitation on $200 million of this cover and, of course, it has to be admitted that recovery of insurance by the Electricity Trust is not automatic. For example, an insurer could argue either in or out of court that the trust had not exercised a proper duty of care as required by the insurance contract and could decline to pay.

So, the Electricity Trust has several important prerequisites in minimising the extraordinary bushfire risk that occurs in South Australia every summer. First, it has to ensure that electricity wires and trees are kept apart, because in high winds both trees and electricity lines sway. Secondly, it still faces the problem of winds blowing debris on to lines—and all sorts of items have been blown on to lines, like ironing boards, parts of cars, and galvanised iron. As I have mentioned, an item such as that lying across open wires can cause heating, sparking and, possibly, fires.

There is no denying that the Electricity Trust has tried very hard to develop products, materials and an outlook amongst its employees which seeks to minimise the bushfire danger. For example, it has introduced aerial bundled cable, which limits the possibility of clashing. Recently there has been an exciting development with the covered conductor system. In open country, open wire uncovered conductors can create a fire in certain situations when they clash. These can be replaced very quickly and cheaply by a covered conductor system, which can overcome the problem of

clashing and danger from flying debris. That is best used, I understand, in open areas.

Another development is that the Electricity Trust has identified feeders running through high risk areas—risk area feeders as they are called. On high risk days linesmen now go into the field and examine these high-risk areas; if necessary they can disconnect small parts of the distribution system. This is a practical approach to the bushfire problem. Thus, we can see that some good has come out of Ash Wednesday. Some further initiatives have resulted from Ash Wednesday as well. There is a much closer consultation with the Country Fire Services. It is much closer now than it was before 1983, I understand. There has also been closer consultation with the Engineering and Water Supply Department to ensure that ETSA will not disconnect power to essential pumps. Such 'essential pumps' in high-risk areas have been identified and upgraded. Therefore, no disconnection of power will be necessary on high-risk bushfire days with respect to those E&WS pumps.

To its credit, ETSA has tried to upgrade underground cabling in the Adelaide Hills in particular, and it should be said that many Adelaide Hills people are reluctant to move to underground cabling. It is obviously a solution to the bushfire danger problem, but it is an expensive one. Many people are not prepared to share on a 50-50 basis with ETSA the cost of underground cabling. It is certainly an expensive option, and one must recognise why that is so. Whereas heat dissipates easily from open lines because of the movement of air, that is not the case with underground wiring and therefore heavier cable is needed and more copper is required to protect the cable. Thus, the cost of cabling is more expensive and there is no doubt also that the laying of cable underground can be more expensive in certain circumstances. I accept quite readily that we do not live in a perfect world, that, sadly, and perhaps increasingly, more and more people are prepared to blame governments or councils, or anybody that is in charge, while avoiding looking at where the real blame should lie, namely, with themselves.

No question exists that many people in the Adelaide Hills have not learnt the lessons of Ash Wednesday. They continue to allow ground fuel to surround their house, to have trees too close to their house, to have inappropriate materials in the construction of their house and to have inadequate safeguards against a bushfire. No doubt exists that ETSA, the Country Fire Services and other people involved in minimising bushfire risk have a very difficult and often thankless task in educating the public and persuading the public to act.

Having said all that, and recognising the reasons for this amendment to the Electricity Trust Act, I make very plain that the Liberal Party Opposition does not support in any way the granting of immunity to the Electricity Trust. It cannot support that immunity. A case has not been made out for the granting of that immunity, nor, can it be made out. I accept that clause 41 seeks to limit immunity to property damage and ETSA will still have liability for persons injured or killed in a bushfire. I accept also that ETSA must be insured to cover the first property affected. Sometimes the first property, where the fire starts, could well cost ETSA a lot of money if, for example, it was a country estate with valuable horses on it. That one property where the fire started, because of the negligence of ETSA, could involve it in damage. To limit its liability in every other respect is unacceptable and cannot be sustained.

I refer to the evidence taken by the Select Committee on the Electricity Trust of South Australia Act Amendment Bill in another place. In nearly 300 pages of evidence to that committee information was given from most valuable sources. One such person was Mr Macarthur, Director of Country Fire Services of South Australia. He is the chairman of the South Australian Bushfire Prevention Council and indeed also the Chairman of the board of the Country Fire Services. He made several interesting points and one in particular alarmed me. He comes with an enormous background of experience and wisdom on this very critical and difficult area. He said that South Australia ranks bottom amongst all Australian States in its attitude to fire prevention. That alarms me, if for no other reason than it shows clearly that the lessons of Ash Wednesday have not been learnt.

Mr Macarthur was quite firm in his view that granting ETSA immunity from liability was not fair to the community. I will quote from his evidence to the committee. At page 46 he states:

> The Crown must be bound if we are to make bushfire management work. The Crown must be seen to be doing its share. I do not think that it is an unnecessary burden on the Crown and it will ensure that a reasonable standard of housekeeping is achieved. If we are going to go down the track suggested by this Bill, we need to introduce fairly promptly and conveniently stronger legislation relating to the rest of the community. That will ensure that we have a fire safe environment.

In other words, Mr Macarthur is saying quite properly and sensibly that the burden has to be shared by all the community, including the Crown. He further states:

> You cannot place a limitation on one Government instrumentality. I think the rest of the community has a part to play if we want to see the impact of bushfires reduced.

He expresses concern about the situation that exists under the proposal to limit ETSA's liability when he states, at page 42:

> If you have a power line entering the property, perhaps a private line or ETSA owned line, and it goes on to another property, how do you compare that situation with one where the line crosses a couple of properties and goes to a supplier further down the track?

He raises the question, upon which I will reflect in a little while, that we could have a situation of a private line and an ETSA owned line. One of them—the ETSA line—has immunity while the other does not.

The submission from the Insurance Council of Australia I also found persuasive. Its formal submission at page 89 states:

> Insurers vehemently oppose the granting of immunity for liability arising from proven negligence of Government, private enterprise or individuals. In all walks of life business and private people should be held accountable for negligent actions giving rise to injury and property damage.

Further in the detailed submission from the Insurance Council of Australia it states:

> In terms of social justice, will private electricity contractors be granted similar concessions?

That is a very good question. Again, another question posed by the Insurance Council of Australia was:

> Will the Electricity Trust of South Australia take recovery action against negligent third parties who directly or indirectly cause fire damage to trust property?

It then makes the point, as has been suggested, that this legislation being introduced in South Australia is very much the same as what happened in Victoria and Western Australia. The Insurance Council of Australia, at page 90, claims that it had sought legal advice which argues that interstate legislation is nowhere as protective to the supply authority as that proposed in South Australia. It also makes the following very valid point:

> Equally concerning is the prospect of other Government and semi-government authorities, such as the Department of Marine and Harbors, Engineering and Water Supply, Department of Roads

and Construction, each seeking immunity from claims for negligent acts.

In other words, where will this end? It is quite conceivable to think of other examples where a Government authority may well be negligent and cause losses of tens of millions of dollars. Will the Government use this as a test case and seek immunity from prosecution for not only the Electricity Trust but also other governmental and semi-governmental statutory authorities?

The other point which I believe has some relevance is advanced at page 94 of the submission presented by the Insurance Council of Australia, when it talks about insurance rates and premiums. It states:

> If the Electricity Trust of South Australia Bill is passed unamended insurers will need to reassess premium rates. Undoubtedly reinsuring companies who support insurers in catastrophe losses will reappraise their pricing of cover, and understandably adjustments can flow to the insured.
>
> It is wrong to suggest, as Mr Sykes, General Manager, Electricity Trust of South Australia, has, that insurance rates only increase after an event and will not now manifest until future events and claims occur. Rates are set with an eye to past experience and allow for foreseeable risks and potential liabilities. The past takes in knowledge of Ash Wednesday recoveries. The future includes assessment of increasing liabilities and the ability to minimise losses.
>
> The prudent insured will be expected to carry the cost burden of the prospective legislation and the injustice is magnified through the application of stamp duty provisions. Unlike the uninsured, the prudent will pay for the State's fire fighting services and the shift of liability away from the provider of electricity.
>
> Currently the Electric Supply Authority spreads the costs of its liability insurance across the broadest base, that of all consumers, on a user pays basis. Immunity by statute will produce a saving in the trust's insurance premium which may reflect in lower costs of electricity.

It is an interesting point as to whether it will reflect in a lower cost of electricity. The submission continues:

> Passing this saving to all consumers means that the uninsured and underinsured will benefit, and it is this segment of the community which can be expected to remonstrate the loudest and seek Government aid when next confronted with the circumstances of an Ash Wednesday.
>
> Clearly, the current means of spreading the cost of liability insurance for fire arising through negligence of the provider of electricity is morally and equitably sound. Further, it greatly reduces the inevitable appeal from uninsured and underinsured disaster affected citizens for Government and public aid.

Finally, summing up the select committee evidence from the Insurance Council of Australia, I quote Mr Noel Thompson, Regional Manager. Insurance Council of Australia, South Australian Division, when he stated:

> The proposed legislation to relieve ETSA from civil liability for the negligent causation of electrical fires is totally unwarranted. Such legislation will, first, relieve ETSA from having to exercise a duty of care to the public to protect it from injury and loss; secondly, it will inevitably reduce compliance with standards of proper electrical safety practice; thirdly, it will result in landowners having a potential liability to third parties, though the negligent act or breach may rest with ETSA; and, fourthly, it will increase substantially the premium cost of public liability insurance by virtue of the requirement for more substantial individual cover and a greater risk element to insurers. This increase will almost certainly result in landowners not being able to obtain appropriate cover. Most of the major fires that occurred during Ash Wednesday 1983 were a direct result of ETSA's negligence in failing to maintain—

At that stage, somewhat surprisingly, the Chairman intervened, and the rest of Mr Thompson's observations are lost.

I found the evidence from Mr Macarthur from the Country Fire Services, who could rightly be described as the top authority on bushfires in South Auistralia, to be compelling and persuasive. I was also persuaded by the very strong evidence presented by the Insurance Council of Australia. I accept that power lines account for perhaps as little as 2 per cent of all fires in South Australia but, sadly, the fires that they do start tend to be very bad and uncontrollable and result in a great loss of life, livestock and property and cause pain and anguish. They also destroy years of work and require owners, particularly those who live in rural areas, to rebuild over many years into the future.

We should not forget not only that there is loss of property and life but also that bushfires cause pain, anguish and tremendous psychological scars. I have said that the Electricity Trust undoubtedly has done much since the Ash Wednesday bushfires to minimise the risks on future occasions. It was gratifying to see the very frank evidence given to the select committee by the General Manager of the Electricity Trust, Mr Sykes. However, that should not lead us away from what I believe is a very fundamental proposition, that is, that the Crown should not be immune in such cases because, if one can argue that the Electricity Trust should be immune for negligent acts in a bushfire, one can argue that any Government department or statutory authority can be immune and should not consider the consequences of its actions. I believe that would be an unhealthy state of affairs and would not encourage high standards of care and service. The Opposition fundamentally is opposed to clause 41 and it welcomes the Australian Democrats' indicated support for the amendment which we have on file to strike out that clause.

[*Sitting suspended from 6 to 7.45 p.m.*]

The Hon. M.B. CAMERON (Leader of the Opposition): It is not my intention to speak at great length on this Bill because the issues are very clear and the opposition to certain parts of it are, from the point of view of the Opposition, also very clear. It is not an easy subject for me to discuss because, despite the passage of time, people associated with Ash Wednesday, which has been referred to by the Hon. Mr Davis, will know that some very raw scars are still associated with that event.

I am somewhat surprised at the Bill, in view of what occurred that day. I am not being highly critical of ETSA in this regard, but the fires were clearly caused by maintenance practices that were not up to scratch. To attempt, then, through an Act of Parliament to absolve ETSA from future liability is simply not on. I must give full credit to ETSA for the job they have done since Ash Wednesday in bringing maintenance of lines and the surrounds thereof up to scratch.

No-one who is associated with the area in which I live, that is, the South-East, would not be fully aware of the very credible efforts of ETSA to rectify what were some very obvious faults. I speak from some experience, because one of the smaller fires of Ash Wednesday commenced on my property. If another fire had not gone through first, I have no doubt that that fire would have caused an enormous amount of damage. One feels some responsibility, even though it was a fault in the construction of the ETSA line that caused that fire.

It was a dreadful day and one of those occasions that I am sure should remain in the memory of all of us, not for the horrific side of it but just for the sake of ensuring that it does not occur again because of a lack of maintenance and proper line construction. The work done in putting spreaders into the lines and into making sure that vegetation is cleared from lines has been very worthwhile. I guess that to some extent land-owners themselves must take some responsibility, because there is no doubt that even drawing attention to some of the problems would have helped ETSA in ensuring that the problem did not occur. From a personal point of view, I must accept that there are obvious faults in the area of lines on my farm to which I have not drawn

proper attention or which I had not taken the proper steps to cure.

This has always been the case, and I have always said that it is ETSA's problem. However, when a day like Ash Wednesday arrives it is no good working out whose problem it is, because it ends up being your problem, as it has a fairly dramatic effect. On the days immediately following that problem, one of my first suggestions, for which I must say I received some criticism at the time from United Farmers and Stockowners and other people, was that on days like that power should be cut off. If power had been cut off on that day, many of the problems that occurred would not have arisen.

One of the problems we had, and which we probably still have because I do not think people learn easily, is that so many people rely absolutely on power for water supplies. I recall recounting the situation at Kalangadoo when everybody was gathered into the hotel to avoid the fire which was roaring across the flats. The people who were to protect the hotel went outside to turn on the water to spray the hotel but the power went off, as a result of which they had no water. I recall saying at that time that they did not tell anybody in the pub that that had happened, because the panic would have been unbelievable had those involved known not only that they were trapped in the hotel but also that they had no water to protect themselves.

The Hon. M.J. Elliott: They still had the beer.

The Hon. M.B. CAMERON: Yes. Nevertheless, that was a problem. We must ensure (and I support this part of the Bill quite strongly) that people realise that they cannot rely on power on days of extreme fire danger and that they must make other arrangements; it is as simple as that. For that very same reason, the local school where I live has now got a diesel pump, because it had the same problem: they had no water, because the power went off. The power will automatically go off, and I trust that it will do so.

The last thing I want on a day like that in the future is a live power line across any land or any area with which I have any association. It is far too dangerous to have power still being transmitted through the lines when there is a very real danger of that causing a conflagration. It does not matter what steps you take, how much equipment you provide to the CFS or how many people you have there. It just will not stop a fire on a day like that; it is just impossible.

I recall a friend of mine who is a pilot going up in his plane on that day and flames were leaping to 1 000 feet. How on earth will any volunteer stop that? It is just impossible over a forest area. So, I say quite clearly, as I said immediately afterwards, that, provided it is used responsibly and power is not cut off on reasonable days, ETSA should have that right. That is the greatest protection that it, as a power provider, can have.

We must also make certain through Government that, in areas where the water is needed, such as townships, emergency plants are provided. It is no good having a plant 30 miles away: it must actually be on the spot. That was another question that was raised a number of times. I have not seen, even today, just what emergency power facilities are available for pumping in major towns that need such power to enable them to fight fires.

I have absolutely no problem supporting the compulsory clearance of vegetation that is planted under lines. Anybody who does that, to put it in a nutshell, has rocks in their head, because they clearly are planting trees where they will inevitably reach the line. ETSA or any other body should not be responsible for the clearance of those trees when they reach a height where they affect the lines. I sometimes wish that in the early days when swer lines were going through ETSA perhaps had taken the same considerations into account, because I know, again from my very close knowledge of situations where ETSA has put in lines over the top of small plantations, that there has been an inevitable result.

Again, ETSA has taken that on board and has done the right thing in the majority of situations where people have been prepared to talk to them and talk through their problems. I see many situations where ETSA has taken the responsible attitude and made certain either that trees affecting the lines were cleared or that the line was shifted to ensure that the trees were not a problem in the future.

As a person living in the area of the State that was worst affected—and any area of the State can be affected—I certainly feel much safer these days than I did prior to or during Ash Wednesday. That is all credit to the people concerned. That does not mean that where there is an obvious fault by ETSA, it should have immunity from the problems that its facilities cause. I am therefore surprised that the Bill has been brought forward in this form. I would say that anybody who has a fair mind, and an attitude of fair play would not support the proposition put forward in new section 41.

It just cannot be that ETSA is prepared to accept responsibility for the fire caused on the property of origin but no further, because there might be little effect on the property of origin but overall an enormous effect because unfortunately bushfires grow and grow and you cannot do anything about it on a day like Ash Wednesday. I do not think it is proper, if there is negligence on the part of the supply authority, that it should then be immune from liability.

I do not believe that the Government really can be serious about this provision. I hope it is not, because it would show to my mind a lack of real understanding of the problems that can be caused to people arising from negligence on the part of the authority. I say this very carefully. It is possible that this in itself will cause negligence because there will not be that same desire to solve or make sure the problems do not occur again.

It is very easy for people to become slap-happy. That does not apply only to ETSA. I look around at my neighbours at home and I sometimes wonder whether Ash Wednesday ever occurred, because I see the same signs of 'it can't happen again' occurring. I would say that we have to apply pressure, and the best pressure that can come is from the potential of being sued if you are negligent, and that does not only occur with ETSA; it can occur with the general farming population. I know the people down home are very careful with machinery and other items now because of what occurred.

I also know that all people should be insured, and I am surprised when I hear some of the people who do not cover themselves with their own insurance. But nevertheless ETSA must be covered for insurance. I understand that the premiums for ETSA have gone up enormously and created real problems. In fact, I am led to understand there was a period when insurance was not available, and that is a serious problem indeed for a power authority to have that situation occur. I do not think that should be cured by legislation giving immunity to the authority. What the authority has to do is to convince the insurers that they themselves are making sufficient effort to ensure that a problem such as Ash Wednesday does not occur again.

It is not an easy subject to discuss because of the very personal nature of the problems that occur. Looking back, I recall very vividly the problems associated with people that were killed on that day, and I certainly would not be

a party to supporting any clause in any Bill that would lead potentially to similar negligence occurring in the future. When saying that, I give full credit to the power authority for the steps that it has taken since, and I trust that that will continue. The best way we can guarantee that same attitude of very careful maintenance is by ensuring that there is not immunity, that it is subject to the same pressure to which we are all subject to—the pressure of potentially being sued if the authority is found negligent. Everyone in that authority with that problem on their back will take every possible step to ensure that the authority does everything to provide that it is totally cleared in any potential court action arising from any fire that might result from its facilities.

Basically, I support the Bill. I understand what it is doing; I understand that it is designed to clear up some problems. However, I do not support, new section 41. Prior to this I was very careful about allowing ETSA to cut trees extensively on my property. Since then I have said, 'I think you should take down whatever you need to make sure that we are all safe.' I trust that most people in South Australia will take that same attitude. It is a very difficult decision for some people who love the trees on their property, and maybe in some cases we have to ensure that there is some discussion about whether ETSA should shift the line slightly or whether it should be underground. I am sure that, providing people are prepared to make some contribution, ETSA is always willing to discuss the subject of undergrounding.

I trust that some time in the future we can find some sort of line that is safe from the potential damage by trees and the problems that occur from lines clashing. A number of design problems have occurred and I am sure that the courts or ETSA will solve those. I support the Bill and I will be supporting the amendments to be moved by the Hon. Mr Davis. I will also look carefully at certain amendments put forward by the Hon. Mr Gilfillan.

The Hon. PETER DUNN: In supporting this Bill I would just like to comment that it is, as has been said before, a response to the two Ash Wednesday fires. We all know the problems that occurred at the last one. Perhaps this is an overreaction by ETSA to protect its own backside from circumstances that could reasonably be expected not to occur again for a long time. As I understand it, the weather patterns that occurred on the last Ash Wednesday were such that they are likely to happen once in 100 years. However, that does not absolve ETSA from the responsibility of meeting its commitments if it were proven negligent. I think we have to look at the situation a little more carefully. ETSA started the fires on that day; there is no doubt about that. There was a break down in the power lines. However, planning decisions in this State, particularly in the Adelaide Hills, have contributed and that is the area from which the biggest proportion of claims have been made on ETSA for recompense for places being burnt out. I am amazed, as many other people are, at where houses are allowed to be built. From my observation houses built on the top of hills give a lovely view, but after about a week the view becomes fairly mundane and people do not take much notice of it. I would have thought it would be better to say to those people, 'You would be safer and better off to build closer to the bottom of the valley than at the top'.

South Australia and Victoria probably suffer from bushfires more than anywhere else in Australia because of the very Mediterranean climate. We have a long dry period, as is evidenced by what has happened this summer. If there is going to be a fire this will be the period when it will occur. It is interesting that everybody is cautious about fires in the September to December period, but they seem to lose sight of the fact that the worst fires have occurred in the March-April period in any year.

This Bill tries to solve that problem. ETSA feels very responsible for what it has done and I can understand the Bill coming before Parliament. This Bill does two or three things. The first point on which I wish to comment is the fact that ETSA has the ability to cut off the power. I am surprised that it has not asked for this requirement many years ago. On very severe days—the Bill uses the word 'extreme'—the Country Fire Service determines what is an extreme fire danger period. I am surprised that ETSA has not asked to turn the power off in some areas on such days. But, if it does that I think that it will have to look further down the track and change some of the regulations to allow individuals to generate their own power.

At present that is not allowed in a private home, a farm or, for that matter, in a small business unless it is authorised by ETSA. If one wishes to put in a small generating plant to keep refrigerators, air-conditioners or other essential equipment going, there appears to be great resistance from ETSA. However, if ETSA is to have the ability to cut off the power, there needs to be a change in the regulations to allow the individual to generate his own power—whether it be by an isolating switch or some form of transister which will allow the current to travel only one way. Generating equipment is not extremely expensive and units of between 1 kw and 3 kw of generating ability can easily be purchased, started up rapidly and installed in the home, farm or business.

On extreme fire risk days there is a necessity, particularly where there are old people, for refrigeration. Homes today are not built of the size and magnitude of many years ago and therefore require air-conditioning. Some of those buildings are intolerable without it. As mentioned by the Hon. Martin Cameron, a lot of them rely on water pumping for stock etc., and protection of their properties through electricity. I believe that ETSA should look at changes in the regulations to allow that to happen.

The vegetation clearance clauses in the Bill are interesting in that there is a definition for a 'private supply line'. I have some queries in relation to that private supply line that come down to the fact that a private supply line under the definition in the legislation means a part of the distribution system that is designed to carry electricity at a voltage of 19 kV or less. There are many thousands of kilometres of swer lines in the State that are of 11 kV or 19 kV. All those lines come under the definition of private supply line. Those lines therefore become private lines and the Bill says that the private individual is responsible for clearing vegetation that is planted under those lines. That is fair enough. However, where those lines cross native vegetation on a property, ETSA would be responsible for the clearing of that vegetation.

I can see that some confusion will eventuate as to where native vegetation begins and where somebody has planted areas of like native vegetation. That occurs in my own area where it has become apparent that the flora grown in the area for thousands, perhaps millions, of years is still the best to plant back into it. I refer to vegetation like broom bush. That may not cause a problem, but the native eucalypts can. I hope that ETSA will use some commonsense when it clears such vegetation. I think it is a fairly dangerous practice. I have on my property a large sugar gum tree that is getting to the stage where it will require one side of it to be cut back so that it does not form a hazard by touching the incoming swer line.

It would be a very dangerous practice for a person like myself, who does not have the necessary equipment—for instance, cherry pickers, or like equipment—to be able to get up and use a saw to trim such trees. It would be better for ETSA to do that *in toto* because, if one is close to power lines, some very nasty accidents can occur when people touch the lines, mainly by standing on the back of sheep crates, but likewise cranes, etc., have caused a problem, as have ship masts when transported on the ground. However, it is reasonable that lines on public property do not come under that category. Therefore, roads, etc., that are crossed by swer lines would indeed be covered by ETSA.

The liability clause has been given a very good run today. I agree that it is not acceptable; ETSA must not be seen to be negligent and it could be seen to be negligent if this provision goes through. It is obvious that if the provision is only to apply on extreme fire days, ETSA could say, 'We won't worry about those extreme days; we will build our lines to a standard that applies to days other than extreme days'. When that odd extreme day occurs ETSA is immune from that liability. I think that is silly. For example, in a situation where a swer line runs along a boundary, it may only cause a fire in a few square metres of the original point of ignition of the fire, and then it runs into the next block and so on.

It would be quite silly if there was virtually liability only to the small area that is burnt out where the fire ignited, yet it has quite obviously burnt out people below it. ETSA is only liable if it is proved to be negligent. I believe that ETSA has put an enormous amount of effort into improving its lines. They have better separation. If they run parallel to one another they have separation methods attached to them to stop them from touching. ETSA has done a very good job and it realises that it does not want to be proved negligent again, but to add immunity to liability goes in the face of all common law and what reasonable people expect in today's society. I agree that the law of negligence has become a real monster, particularly in places like America, but I do not agree that a Government institution should be immune in a State such as South Australia where with reasonable care ETSA can make itself immune from negligence.

Proposed new section 41 also deals with the matter of actions for which ETSA is responsible. Subsection (4) provides:

> A bushfire will be regarded as being of electrical origin if it results from . . . *(b)* the overheating or malfunction of electrical or other equipment that forms part of, or is associated with, the distribution system

I am not sure whether that perhaps may include a vehicle that is being used to repair an electrical fault or disconnect a power supply. The way I read the clause, such a vehicle could be held responsible. Can the Minister clear up that matter for me? Perhaps this matter can be raised in Committee.

I have already referred to the fact that this immunity from liability relates only to those extreme fire days. However, I think that is quite silly, as we have seen some quite bad fires occur on days other than extreme fire days. They have been bad fire days, but this Bill specifically stipulates conditions of extreme fire danger. I do not think that is consistent. It is quite reasonable to assume that, given the right conditions, on a relatively cool day a bad fire can occur.

So, it appears to me that the Bill itself is negligent in the manner in which it deals with the question of liability and due to the fact that it applies only to this one institution in relation to immunity. What is the situation in relation to other bodies that generate electricity, those outside of ETSA, but who might be quasi-attached to ETSA, and I refer particularly to the Cowell Electrical Supply Company which supplies outback areas of South Australia? It generates electricity under the terms and conditions that ETSA lays down. It gets a subsidy through the Act that is overseen by ETSA. Would that company be immune as well on these sorts of days or would it still be liable? What changes will this Bill make to its operation? Can the Minister come up with some answer to that problem? Generally, I support the Bill. The Democrats have indicated that they do not agree with the limitation on liability and I certainly support that stand. Other than that, I think the Bill is quite reasonable.

The Hon. K.T. GRIFFIN: I have been consistent in my criticism of the Electricity Trust in relation to the very slow progress made in the resolution of all of the many claims resulting from the Ash Wednesday 1983 bushfires, both around the Adelaide Hills and at Clare and in the South-East. I remain critical of the way in which the trust has handled those claims and has added to the traumatic experiences of the victims of those bushfires. It was as a result of those bushfires that the Electricity Trust sought some means by which it could minimise its ongoing liability for insurance premiums and for negligence in the future.

It has claimed that something like $400 million is to be required in settlement of all the Ash Wednesday bushfire claims. But all the evidence so far indicates that it might be closer to $100 million, of which something like $50 million will come from insurers. So, although that is a substantial amount it is by no means near the sort of liability that the Electricity Trust has been suggesting as its ultimate liability. It has added to that, of course, the cost of clearing power lines to reach the Australian standard. However, generally speaking that is a one-off cost and when that standard has been reached throughout the State in respect of all power lines then the costs will be more modest and will relate largely to the maintenance of that standard throughout South Australia. Of course, the Electricity Trust is a statutory authority.

It is seeking the immunity from liability for negligence which is not accorded to private sector organisations or other statutory bodies for that matter, although in the workers compensation area there is substantilly immunity from liability for negligence although not immunity from liability for workers compensation, under the new system. The Minister of Health and other Health Ministers were publicly stating only recently that they had sent off for consideration some proposal that may limit the liability of medical practitioners for negligence. If there is to be limitation in any area for the liability of any person or body relating to negligence, then we really have to consider not each case on its merits but the whole law relating to negligence, to ensure both that a citizen who suffers loss or damage is not thereby prejudiced and that those who might be guilty of negligence are all treated equally.

If there is to be any limitation on the liability for negligence for either the Electricity Trust or medical practitioners then one really has to look at the liability for negligence in relation to road traffic accidents or the acts or omissions of lawyers, engineers, architects, pharmacists or professional and business people who owe a duty of care to their clients, their contractors or subcontractors or others in respect of whom they have some association.

So, I would suggest that it is not appropriate to look at limiting the liability for ETSA or for any other group without looking at all the principles of negligence and to provide, if there is to be some limitation of that liability, for an across the board limitation of liability, rather than an *ad*

hoc approach as is evidenced by this Bill. Of course, the difficulty with limiting liability for negligence is that it removes the sanction on the person or body to perform to ensure that as much as it is possible to do so no injury, loss or damage is likely to arise from their or its acts or omissions. The problem that I foresee with the Electricity Trust is that if it is granted substantial limitation of its liability for negligent acts it might not thereafter perform adequately. There will be no sanction, and the sort of malaise which was evidenced prior to the Ash Wednesday bushfire in relation to the achievement and maintenance of standards in respect of vegetation clearance and installations would become, again, the order of the day.

The fact that there has been a fire, the fact that insurance premiums are going up and will continue to go up if action is not taken by ETSA to limit the prospect of incidents occurring that would result in loss, injury or damage, in those circumstance if there were not those constraints the limitation of liability would be for the worse rather than the better. The difficulty with the Bill before us in respect of its limitation on liability of the Electricity Trust is that it really takes no account of what happens after the fire starts on a particular property as a result of the negligence of the Electricity Trust. The trust will be liable for property damage within the boundaries of the land on which the fire originated, or loss consequential on any such property damage, but not for any other loss.

Immediately that raises two questions: what are the boundaries of the land on which the fire originated? Are those boundaries dictated by ownership, fences or other criteria? The second and more significant question is what happens to the loss, injury and damage that may be suffered by other property owners who may adjoin the property on which the fire commenced or be in the line of the fire as it burns downwind? The Electricity Trust will be immune from liability, the property owner on whose property the fire started will become liable and it is possible to argue that other property owners through whose property the fire passes may also have some liability for negligence, maybe on a contributory basis, if they have not taken all appropriate and reasonable precautions to endeavour to ensure that the fire does not escape from their property.

Partly the liability arises from concepts of negligence, but generally speaking from a very old legal rule developed in the case of *Rylands v Fletcher* and places an absolute liability on the owner of a property from which something dangerous escapes. In this Bill the Electricity Trust limits its liability but places the liability very much upon the shoulders of the owner of the property on which the fire has started, which will consequentially have significant cost impacts on that person through the need to increase insurance cover.

If this Bill passes it will result in quite considerable increases in premiums for all property owners who take the trouble to insure because they will not have to insure only in relation to their own loss, damage and injury but also have to insure for the potential loss, injury and damage that might occur if a fire starts on their property not only as a result of their own negligence but also as a result of the negligence of the Electricity Trust. That cover may be $20 million or $30 million or some other very substantial amount and will not come cheaply.

The other difficulty with this part of the Bill, that is, proposed section 41, is that the limitation of liability applies on days where conditions of extreme fire danger exist. One may not desire to argue with that concept, but it is interesting to note that in any legal proceedings a certificate under the seal of the Country Fire Services Board, certifying that conditions of extreme fire danger existed or did not exist in a specified region on a particular day, will be accepted as conclusive evidence of the matter so certified. No opportunity exists to go behind the certificate of the Country Fire Services Board—the certificate is absolute and provides conclusive evidence. Even if the Country Fire Services Board has been leaned upon by ETSA or the Minister of the day responsible for either ETSA or the CFS and it may be debatable whether conditions of extreme fire danger existed on that day in the particular region of the fire, there is no way that that certificate can be challenged.

The problems with the limitation of ETSA's liability for negligence are numerous. The precedent created by the legislation would be quite damaging to the community at large and may actually end up costing the community more through the lack of any appropriate sanction on ETSA, because of the translation of liability to the ordinary citizen rather than to a statutory body providing a service but providing it without being subject to any adequate controls. The other curious aspect of this provision is that it will expire five years after it comes into operation. In effect we have a double standard. It appears to be not good enough to continue the limitation of liability after five years, but good enough to have it in place for the first five years. I suggest that if it is not good enough for some purposes it is not good enough for others.

I refer to several other aspects of the Bill, largely with a view to raising questions that may be answered by the Minister during her reply. The first is in relation to proposed section 40 *(a)* (2) *(b)* where the statutory easement entitles the trust by its agents or employees to enter land for the purpose of examining, maintaining, repairing, modifying or replacing the relevant part of the distribution system and also in paragraph *(c)* to bring on to the land any vehicles or equipment that may be reasonably necessary. No reference is made in that proposed section to rectifying any damage that might be caused. Certainly an obligation exists to minimise the interference of the enjoyment of the land by other persons, but there seems to be no obligation to repair damage, nor is there any obligation to reimburse for any loss suffered as a result of negligence by the trust in entering that land and undertaking the responsibilities allowed by that section. That matter ought to be addressed.

A question also exists in relation to proposed section 42. It provides that the trust incurs no civil liability in conseuence of cutting off the supply of electricity to any region, area or premises in pursuance of this Act or the failure of an electricity supply. There again appear to be no criteria by which the trust may be exempt from liability in cutting off supply. One could understand that, if it occurred through accident or malfunction without negligence on the part of ETSA, no liability should apply. However, proposed section 42 appears to give the trust immunity, even in those circumstances where there may be a deliberate but unjustified interruption to the supply of electricity by the trust.

Clause 7 deals with proposed section 44 (2) *(a)*, which provides for the making of regulations that may regulate the positioning of public or private supply lines and associated electrical and other equipment. What is intended by that regulation-making power? When I first read it, I immediately thought that it vested power in the Electricity Trust, in effect, to compulsorily acquire through the regulation-making power, in the sense that it would have the power to string both public and private supply lines in accordance with the regulations without the authority of the land-holder. Perhaps that reads too much into the power, but will the Minister give some consideration to the scope of that power and clarify that matter during the later stages of debate of

this Bill? I do not intend to support proposed section 41 and, therefore, I will support my colleague, the Hon. Legh Davis, in his amendment. Subject to that and the clarification of the other issues which I have raised, I support the second reading of the Bill.

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

EVIDENCE ACT AMENDMENT BILL (No. 2) (1988)

Adjourned debate on second reading.
(Continued from 6 April. Page 3787.)

The Hon. C.J. SUMNER (Attorney General): The Hon. Mr Griffin questions whether Australia has ratified the Hague Convention. The answer is, 'No, not yet'. However, this legislation is not dependent on the ratification of the convention. A South Australian court can now request a foreign court to take evidence on its behalf. In the absence of something like the Imperial Foreign Tribunals Evidence Act or a convention, a foreign court has no obligation to take the evidence but, provided it has the necessary procedures in place, it may accede to the request. When the convention is ratified State parties to the convention will be obliged to facilitate the taking of evidence for use in South Australian courts.

It should be noted that the Hague Convention applies only to civil and commercial proceedings. So far as criminal proceedings are concerned, the Australian Government is negotiating mutual assistance in criminal matters treaties which, once in place, will oblige the signatories to facilitate the taking of evidence for use in criminal proceedings in South Australian courts.

The Hon. Mr Griffin asked whether Australia proposed to ratify the Hague Convention. The answer is, 'Yes'. The Standing Committee of Attorneys-General has agreed that Australia should ratify the Hague Convention. The administrative arrangements are still under discussion.

The Hon. Mr Griffin also asks whether, if Australia signs the convention, Federal legislation is required for the ratification. The answer is 'No'. Existing imperial legislation and the rules of court made thereunder in all jurisdictions make adequate provision for the taking of evidence within Australia. The Commonwealth, however, intends to legislate so that, so far as Commonwealth courts are concerned, the matter will be governed by Commonwealth law and not imperial law, as will all other States and Territories.

The Hon. Mr Griffin wants to know who will be the central authority. The proposal is that the Commonwealth Attorney-General's Department shall be the central authority, and those States which wish to may be designated as additional authorities. I have indicated that South Australia does not want to be designated an additional authority, as the Commonwealth is proposing that additional authorities must notify the central authority when a request relates to a matter having implications for Australia's national interest, or involves *inter alia* the assumption of jurisdiction by a foreign court which is contrary to international comity or international practice.

The Hon. Mr Griffin queries the powers and authorities of a court sitting outside the jurisdiction. Rule 78.04 provides that the Supreme Court can make an order for the examination on oath of witnesses by an examiner outside the State. The use of the predecessor of this provision by Mr Justice Sangster in Tasmania is considered in *In Re Co-operative Development Funds of Australia Ltd and Others* [1978] 19 SASR 105. This was the provision under which Justice Von Doussa was able to go to the United Kingdom to take evidence last year. The United Kingdom has legislation which regulates the taking of evidence there by foreign bodies. All the necessary powers to subpoena witnesses and swear witnesses, etc., exists.

If the court has doubts about its abilities to control the taking of evidence by it outside the State, then it would have to consider whether the evidence should be obtained by other means, for example, by asking a court in that place to take the evidence for it. Equally, a foreign court which wanted to obtain evidence in South Australia would have to consider which has the best way to do it.

The Hon. Mr Griffin is of the opinion that, where a commission is issued to an officer of the court to take evidence outside the jurisdiction, that person should be legally qualified. New section 59c (1) provides that it is the court which issues the commission. The courts will ensure that commissions are issued to appropriate persons.

The Hon. Mr Griffin queries what is encompassed by the description 'just exception'. This phrase encompasses all the reasons why a court may refuse to admit the evidence—that it would not be in the interests of justice, for whatever reason, to admit the evidence. The honourable member queried whether this Bill would achieve anything that was presently achievable. The answer is that the Bill is only amending the existing Part VIB slightly. That Part provides that a South Australian court may request a corresponding court outside the jurisdiction to take evidence on its behalf. 'Corresponding courts' are courts declared by instrument in writing under the hand of the Attorney-General, and published in the *Gazette* to be court in a prescribed country or State that corresponds to authorised South Australian courts. As I pointed out in my second reading speech, this 'corresponding court' requirement is clumsy and bureaucratic and lacking flexibility. This Bill will allow the appropriate foreign court to take the evidence, and it may or may not be a court that corresponds to the South Australian court.

The existing provisions make no mention of the taking of evidence by the court outside the State or the issuing of a commission to take evidence outside the State. These categories are included to accord with the uniform Bill agreed to by the Standing Committee of Attorneys-General. They do not add much in that, as I have aleady mentioned, the Supreme Court rules provide that the court can make an order for the examination of a witness by an examiner outside the State. It should be noted that this Bill is not limited to the Supreme Court and that there is power to extend the provisions to tribunals.

Thus, while the provisions of the Bill do not make great changes to the existing law, they do provide a flexibility which did not exist in so far as foreign courts taking evidence for use in South Australia; the law is collected in our place and the range of courts which can take evidence outside the State is extended. Finally the Bill allows evidence taken outside the State to be tendered in criminal proceedings without the agreement of both parties, unlike the present section 59d (3). I trust that that answers the honourable member's queries and I thank him for his support of the second reading.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Interpretation.'

The Hon. K.T. GRIFFIN: I thank the Attorney-General for the detailed reply which he gave to the various issues that I raised at the second reading stage. It is an interesting area of the law and also a complex one. I do not propose

to join issue with the Attorney-General on any aspect of what he has indicated. I presume that, if there are any difficulties with respect to jurisdiction, they would be the sorts of matters which litigants may raise either when a decision is taken by the relevant court to take evidence outside South Australia or to receive evidence in South Australia, either from courts, commissioners or other persons who have taken evidence outside the jurisdiction.

I would like in due course, when the Government has reached some agreement through the Standing Committee of Attorneys-General with respect to the ratification of the Hague Convention, to have some information as to the arrangements which have then been agreed between the various Attorneys as to the way in which that will occur and the administrative arrangements which will follow.

The Hon. C.J. SUMNER: I note the honourable member's comments on that and will attempt to make the information available to him.

Clause passed.

Remaining clauses (4 to 7) and title passed.

Bill read a third time and passed.

SUMMARY OFFENCES ACT AMENDMENT BILL (1988)

Adjourned debate on second reading.

(Continued from 23 March. Page 3400.)

The Hon. K.T. GRIFFIN: The Opposition gives some qualified support for the proposal embodied in this Bill, but only qualified support which is subject to certain issues being addressed by the Government, both in this Bill and concurrently with it. The effect of the Bill will be to allow inspectors who are authorised to issue prosecutions under certain sections of the Road Traffic Act to administer the traffic infringement notice scheme, in so far as it relates to overloading offences. Those offences are not presently subject to the scheme. In the Attorney-General's second reading explanation, he said that the proposal is to allow traffic infringement notices in respect of any overloading offence where the overload is less than two tonnes. Overloads in excess of two tonnes, according to that second reading explanation, will continue to be the subject of prosecution in the normal way. I should point out that that cut off point is not specified in the Bill. In introducing the Bill, the Attorney-General said that, in the 1986-87 financial year, 2 622 vehicle overload cases were prosecuted before the courts—and that in those cases the average fine levied was approximately $320. Nearly 50 per cent of all overload prosecutions were for overloads up to 2 tonnes.

The scheme which is envisaged by this Bill is designed to deal with reducing the costs, both for the offender and the department of dealing with those cases, whilst preserving the ultimate right of the alleged offender to appear in court if that person wishes to do so. I have had some consultations with organisations which might be expected to have some concern with the subject matter of the Bill. The Royal Automobile Association peripherally has a concern with it, but raises no objection to the proposal. The South Australian Road Transport Association, though, does oppose the Bill, expressing suspicion about the Government's motives in wishing to proceed with this scheme. The Professional Transport Drivers Association indicate that there are a number of difficulties with the law relating to overloading in particular which require attention before it can give its support to this legislation.

A number of matters require attention if the Bill is to be supported by the Opposition. The first is that we believe that only the police should have the ultimate responsibility for the administration of the scheme, notwithstanding that inspectors in the Highways Department already have some responsibilities with respect to overloads of transport vehicles and for administering the defect system in respect of transports.

The reason for this is that a number of complaints have been made to Opposition members by owners and drivers of heavy vehicles with respect to the way in which the Highways Department administers its responsibilities in relation to the detection of overloading offences; the insensitive approach of some inspectors to drivers, particularly where they may be loaded with livestock which have to get to market on time or which are required to be delivered to a particular rail head or other facility; and in relation to the inspectors' administration of the defecting system.

There are also complaints about the general attitude of the department towards applications for permits, whether to exceed weight limits or width limits, or for some other reason. There is, within the transport industry a very real concern that persons administering the various aspects of the law which apply to heavy transports are unaware of the practical consequences of their actions and of what really occurs out there in the real world.

The next matter which must be specifically addressed before the Bill is to be supported by the Opposition is a provision to be included in the Bill specifically limiting the scheme to overloads of up to 2 tonnes.

That is the expressed intention of the Government, but it is not, as I said earlier, referred to in the legislation. The Liberal Opposition also requires details of the expiation fee to be on the record: how is it to be calculated and at what rate is it to be applied. Other concerns of the transport industry with respect to overloading need to be addressed and the Opposition requires them to be dealt with concurrently with this legislation if this legislation is to get our support. The view of the Professional Transport Drivers Association is that most overloads up to two tonnes are in fact mistakes and not deliberate income earning overloads. They make the point that with a six-axle rig, which is the common vehicle on the road these days, permits have been issued by the department to exceed the legal load limit on those axles. With a six-axle rig the weight on the steering axle used to be 5.4 tonnes, and that has now been increased by the department to six tonnes.

The drive axles between them must have no more than 16.5 tonnes weight on them, and the tri-axles at the rear of the trailer must have a maximum of 20 tonnes. That, under the old permit system where the weight on the steering axle was allowed to be 5.4 tonnes, amounted to a total of 41.9 tonnes. That was the position in South Australia from about 1980 until some time about nine months ago, when that was increased to a total of 42.5 tonnes.

Under the old system if a vehicle exceeded the 41.9 tonnes by a half a tonne then when the penalties were imposed for overloading the drivers would be taken back to 38.2 tonnes total. So, if there was a half a tonne over the allowed limit the drivers and the owners could face a penalty, not for half a tonne overweight, but for something around 4.2 tonnes. That raises some questions about the way in which the expiation fee is to be fixed. Will it be fixed in relation to the permitted load on a vehicle so that a vehicle which is overloaded by, say, half a tonne would attract a penalty only in relation to that half a tonne, or will it be taken back to what is not so much permitted but is in fact allowed by the law? If it is to be related to the load allowed by the law rather than by the permit, that would be in my view a gross overkill on the transport industry.

In conjunction with that I should say also that the whole area of overloading needs to be clarified because, even without expiation fees, we need to know exactly at what point the overload becomes subject to prosecution and at what rate. It seems to me to be contradictory that, if a vehicle is permitted to be up to 42.4 tonnes, that if it is overweight the calculation of the penalty should be taken back to what is actually allowed by the law.

The other issue which is again significant and which we would want addressed before this Bill is supported is the question of volumetric loading of livestock. The difficulty which has often been drawn to our attention (and my colleague the shadow Minister of Transport has raised it publicly and in the other House on a number of occasions) is that on rural properties there are rarely weighing facilities, and that it is difficult when loading livestock to estimate or even guesstimate the weight of that livestock. It is quite possible that even if the trailer is modestly loaded that it will in fact be overweight. That is not deliberate. That is accidental, and is something which is largely beyond the control of the owner of the livestock, the owner of the transport vehicle and the driver.

In Queensland volumetric loading of livestock is allowed. It creates no problem and does overcome hardship for property owners who have to shift livestock perhaps in times of drought or when there are floods or there is some other reason for moving quantities of livestock out of those pastoral and rural areas of South Australia. We want to see volumetric loading of livestock allowed in South Australia. It will overcome to a large extent some of the problems being faced currently by the transport industry in relation to overloading, and we would want it resolved before the issue of expiation fees was determined.

I should also say that the Road Transport Association also raised the problem of the change in specific gravity of a liquid due to an overnight temperature drop or the absorption of moisture by a load. There are perhaps infrequent problems but they are real and can inadvertently create for a transport operator an overloading situation.

I suggest that the tendency in relation to expiation fees will be for the department not to waive the expiation fee, but for the operator to pay up rather than going to the trouble of ultimately taking the matter to court and putting an argument in mitigation of the penalty on the basis that it would cost more to defend than to pay up and shut up. So, there is a problem with livestock, liquids and loads that absorb moisture.

I gather that a number of issues currently are being discussed by the transport industry with the Government including speed limits, driving hours, the introduction of tachographs and a variety of other issues. The transport industry has put the view that at this time it would be inappropriate to proceed with expiation fees until resolution is reached on those other problems of the industry as a package.

I raise another aspect of overloading that has been drawn to my attention. In rural areas permits are given to load in excess of the normal limits when the harvest is on—both grain and grape harvests—and it is not uncommon for those permits to be granted. My concern, which relates to the other issues of overloading to which I have referred, is that when one of those vehicles is detected to be overloaded beyond the amount authorised by the permit, what is the point at which the penalty is applied under the expiation system? Does the overloading figure take effect from the amount which the permit allows the vehicle to carry or from the load which is actually permitted by the law without the intervention of the permit? As I have said, a number of issues need to be resolved before the Opposition will support this Bill and, although, as I indicated at the beginning of my speech, it will give some qualified support to the proposition, it will do so only if these other issues are resolved at the same time.

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

WORKMEN'S LIENS ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 7 April. Page 3869).

The Hon. K.T. GRIFFIN: Under this Bill, the Workmen's Liens Act of 1893 will become the Workers Liens Act of 1893, a change which the Opposition supports. The principal reason for the legislation, as I understand from the Attorney-General's explanation, is that the Chief Justice desires to be able to promulgate new rules of court that deal with the procedures that are to be followed in the recognition and enforcement of liens and that those rules would bring the procedures into line with the provisions of the new Supreme Court rules. Also, a modernised form of regulation-making power would address, in particular, the issue of fees.

Whilst I am periodically critical of the escalation in fees under regulations, I do not think that this is one of those occasions where I can object to the modification of the regulation making power. What is done under the regulation making power is another issue and can be judged on its merits.

Workmen's liens are a mechanism for providing some form of security to those who have worked on property, whether it be personal or real. The more significant area on which I have seen the Act operate—and in which I have been personally involved on occasions—is in relation to real estate and work that is done either in the construction of a dwelling or in renovations, particularly at a point where the builder or the subcontractor is likely to go broke or where the owner has not paid a progress or other payment.

There is value in the legislation, but I should say that the provisions of the Act have been difficult to follow because the forms are complex, and at times it is difficult to work out exactly what is required to be done to enable proper protection to be given to the lien which is issued and sought to be registered on real property. So, the modernising of the procedures, and the promulgation of new rules of court and, where appropriate, new regulations, will be welcomed, particularly by the legal profession, which has had to work under the old system for so long, but also by those members of the community who seek to protect their position with respect to work done on property. I therefore indicate that the Opposition supports this Bill.

The Hon. C.J. SUMNER (Attorney-General): I thank the honourable member for his support of the Bill. The amendments before the Council are technical amendments. The general question of the Workmen's Liens Act comes under consideration from time to time. The Hon. Mr Griffin probably had representations that the Workmen's Liens Act should be updated generally and those representations are still before the present Government, although not a great deal of progress has been made in looking at the substance of the Workmen's Liens Act. So, as I have said, this is a technical amendment designed to update the procedures, but it is possible that at some stage in future more substantive amendments will be brought before Parliament.

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

SEWERAGE ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 7 April. Page 3884.)

The Hon. M.B. CAMERON (Leader of the Opposition): This is a very simple Bill. It is to establish a more appropriate legal base for the continued operation of the Sanitary Plumbers Examining Board and the Plumbing Advisory Board, these two boards currently being constituted under the regulations which will be incorporated in the Sewerage Act. Therefore, the Opposition sees no problem in agreeing to this proposal put forward by the Government. This matter has been discussed with members of the Master Plumbers Association, and it has no problem with the Bill whatsoever. Therefore, the Opposition is quite happy for this Bill to pass through its remaining stages without delay.

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

MEDICAL PRACTITIONERS ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 30 March. Page 3703.)

The Hon. R.J. RITSON: The Opposition supports this Bill, although we will move an amendment at the Committee stage. As drafted the Bill does three things. First, it makes an adjustment to the provision concerning the retiring age of members, to enable them to complete their current term of office rather than having to retire at the moment they turn 65. That is an eminently sensible provision, and we commend it to the Council. In relation to the powers that the board presently has to discover documents and to ask questions of witnesses, under pain of penalty, the Bill also provides for those powers to be devolved to a lower level. I will explain in a moment why I think that is a worthwhile provision. Further, the Bill gives powers to the Registrar acting alone and autonomously to order the production of papers and to interrogate persons in the investigation of complaints.

I want to make a few remarks about the functions of the board, the tribunal and the Registrar. Before the present Medical Practitioners Act was put in place the board was all things to all people; it dealt with administrative matters, with academic matters and with the disciplinary procedures against medical practitioners alleged to have committed reprehensible acts. However, with the passage of the 1983 Act the functions were split so that the board continued to make determinations such as in relation to which degrees should be registrable in this State, which universities were to be recognised and which post-graduate qualifications were to be recognised for the purposes of the specialist register.

The board continued to have powers to hear ethical complaints that related to the way one doctor behaved to another doctor in matters such as advertising. The board continued to deal with matters involving doctors' health, competence and educational suitability to practise various forms of medicine. The board has from time to time placed restrictions on medical practitioners as to the form of their practice and has from time to time required retraining. Under the Act of 1983 the *quasi* judicial function of hearing and determining cases where it had been alleged that there was some reprehensible act on the part of a practitioner, which may indeed render him liable to be stricken from the register of practitioners, the power to do so was split off and given to the tribunal, which is a *quasi* judicial body. Since then a practical problem has occurred, resulting in a bottleneck of cases.

The practical problem arises from the fact that in the first place the powers to require production of documents and to require answers to questions under pain of penalty applies only where the board is already sitting on a complaint formally referred to it. Before this, a practitioner who discovers that he is the subject of the interest of the medical board will wisely inform his insurer that trouble is brewing and the insurer's advice is to say nothing and yield up no documents until legally required to do so. As a consequence the board has found itself sitting formally on a complaint merely so that it can use its powers to discover documents and to require answers to questions, only to find that it need not have sat at all because the matter is trivial. Indeed, one can hardly blame practitioners or institutions if their insurer's advice is that the insurance, indeed the insurance of the whole institution, may be in jeopardy if individuals do volunteer material when they are not legally required to do so.

Apart from sitting only to discover that it need not have sat, the board sometimes sits on matters only to discover that the matter would have been better referred directly to the tribunal. It has been considered for some time that the powers of discovery and of requiring answers to questions should be able to be invoked at an earlier stage so that early resolution by conciliation or explanation where this is possible, or earlier referral to the tribunal in the interests of rapid resolution and the interests of justice, would result in unblocking some of the log jam of complaints that has occurred.

Many of these complaints are of a minor nature and could be dealt with by explanation or conciliation, leaving the board and the tribunal to deal with the more complicated matters. In practice the Medical Board has appointed a subcommittee of its own members, which it calls the complaints committee, such committee usually consisting of two members of the board. It has endeavoured to sift the cases and advise the Registrar which cases ought to be forwarded as complaints to the board, which cases ought to be referred to the tribunal and which ought to be dealt with at the shop front by explanation or conciliation, but those complaints committees have been hampered by their lack of powers.

It is not often that a doctor or institution would be unwilling to give a simple explanation to resolve the whole matter, but that doctor or institution is constrained by the conditions of insurance not to do so, whereas if the complaints committee had the legal power to require the documents or to ask the questions, the insurer would be satisfied and many matters would be sorted out more simply. The Opposition does indeed support that principle and thanks the Government for bringing the matter to the Chamber.

One problem with the Bill is the terms of drafting of the initial amending Bill as introduced into this place. We were concerned that the grant of power to the Registrar to act autonomously was undesirable. We were concerned that the Registrar should not have statutory powers to act of his own volition without any reference to the board. Two reasons exist for this, neither reflecting on the incumbent Registrar who is a man of great repute and well liked throughout the profession and Government circles. An Act

of Parliament must stand by itself and not merely rely on present officers who act with good intent.

In the first instance the office of Registrar is an administrative office. The Registrar maintains the register, collects the fees by managing an office that hires and fires the staff. He has to deal with the complexities of company law as it relates to the Medical Practitioners Act and incorporated practices. In doing all of this he is a servant of the Act and of the Medical Board. He is not a medically trained person and it would not be right in principle for such a person, acting on his own autonomous statutory powers, to be conducting inquiries that involve the interpretation of X-rays, laboratory results and the assessment of the plausibility of explanations of psychiatrists and brain surgeons as to their own actions.

Nevertheless, the Opposition believes that the Registrar has a role to play in the investigations: after all, he is the person to whom in many cases a complaint is first addressed by a citizen. The Registrar is one of the persons in the principal Act who may lay complaints before the board or tribunal and the Registrar, particularly one of great experience such as the present incumbent, will often get a natural feel for complaints and act as a fairly sensible sieve of complaints in any case.

However, I thought it was important that his powers not be autonomous but, rather, be subject to the board. After consulting with the Chairman of the board of the Medical Defence Association of South Australia and with a number of members of the Medical Board and the Australian Medical Association, it became clear that these people who were closely involved in the working of the Act also agreed that there was a place for the Registrar to exercise investigative powers. However, as a matter of good legislation those powers should be exercised as a servant of the board and of the Act and not under an autonomous grant of power.

I thank the Government because, during the process of consultation, a number of people concerned, not only privately expressed their views to me but also as an institution expressed their views to the Government. I was not party to any institutional decision by the Medical Board, but officers from the Minister's office contacted me and indicated that the Minister had received lobbies and that, as a consequence, he was sympathetic to the concerns of the people who have to work with this Act. Further, the Minister's officers indicated to me that the Minister would be happy to consult with a view to an agreed amendment, and that is, I understand, what happened today in the corridors.

So, having consulted amongst ourselves and taken legal advice, the Opposition supports the change to the retiring age provisions. Further, we support the principle of earlier investigation and the devolution of powers of investigation, but we wish to ensure that any powers exercised by the Registrar and by the board members who form the complaints committees will always be subject to the policies of the board and that autonomous powers will not be enshrined in the Act. In the expectation that the amendments we propose to move as a result of bipartisan consultation will be accepted, I commend the Bill to the Council and look forward to its expeditious passage.

The Hon. J.R. CORNWALL (Minister of Health): Just to reiterate, in a sense, some of the things that Dr Ritson said, this Bill has been introduced because the retiring age of 65 as contained in the existing legislation has proved in practice to be something of a difficulty. Since the new Act was proclaimed a few years ago, a second President is about to be overcome by the 65 years age rule. By tradition and practice the President usually is a person pre-eminent in the profession and is at an age in his or her professional career where perhaps for the first time in that career they have a little time to devote to activities like the Medical Board. They certainly do not do it for the fee or reward, because the rate at which they are rewarded for services, often involving quite long hours, are in no way commensurate with the reward that they would receive from medical practice. The current President (and this highlights our problem) is a leading member of the fledgling Australian Medical Council. In my view it is absolutely imperative that he continue in that position not only to represent South Australia, but also very much in the national interest.

I am pleased to be able to say that there has been a truly bipartisan approach on this matter, and I thank Dr Ritson and the Opposition for their support. With regard to the other matters, again, that is based on the experience and practice of the board and the Professional Conduct Tribunal. For a variety of practical reasons, the board sees fit to constitute subcommittees, when they are called upon to do some of what ought to be the routine early stage investigation, and to do it at arm's length from the board itself, so that when a matter comes to the board they are in a situation of fresh discovery, so to speak. They do not begin to consider a matter with any preconceived opinion, because they have not been involved in the preliminary investigations, so again this is a practical matter.

I am also pleased to say that I think that the amendment which Dr Ritson has on file as a result of his consultations and discussions with various parties who are directly interested improves the Bill, and I foreshadow that the Government intends to accept the amendment. I commend the Bill to the Council for a speedy passage.

Bill read a second time.

In Committee.

The Hon. K.T. GRIFFIN: Mr Acting Chairperson, I draw your attention to the state of the Committee.

A quorum having been formed:

Clauses 1 and 2 passed.

Clause 3—'Investigations.'

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

Page 1, lines 23 and 24—Leave out all words in these lines and insert 'A member of the Board, or a person acting at the direction of a member of the Board, may conduct an investigation of any matter that is the'.

In practical terms the reference to 'member of the board' will encompass board members who presently form the complaints committee. As such, upon the passage of this Bill, they will have the powers of discovery of documents and questioning of witnesses. They do not have any of the powers of execution which the board has, such as powers to admonish, to fine, or to impose conditions of practice; those powers remain with the board. The complaints committee members will simply gather the information but then take no part in the sitting of the board if such sitting occurs to determine the question.

In practice, the person acting at the direction of the member of the board will be the Registrar, who will doubtless be the person who actually writes to the doctor or the institution asking for the documents and claiming the power pursuant to this Act. But, it is a power which derives ultimately from the complaints committee and not from his own statutory rights to do so. In practice, as I say, the person acting at the direction of the board will mean the Registrar.

I am advised that indeed the Registrar, as the servant of the board, is subject to a direction of the board in any case and that board members would be subject to internal rules of the board in any case. However, it is possible that from time to time other persons would be appointed to conduct

investigations, and I thank the Hon. Mr Griffin for making the suggestion, in relation to the last part of the amendment to clause 3, that any other person exercising powers by virtue of the section is subject to the direction of the board. Therefore, no person appointed to do any particular thing can escape the general policy of the board in terms of how it wishes investigations to be carried out from time to time. I think it is a safe amendment, and I commend it to the Committee. I also thank the Minister for his consideration of these matters.

The Hon. J.R. CORNWALL: The Government accepts the amendment.

Amendment carried.

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

Page 1—

Lines 27 and 28—Leave out all words in these lines and insert 'A person conducting an investigation under this section may where reasonably necessary for that purpose—'.

After line 32—Insert subclause as follows:

(2a) A member of the Board or other person must, in exercising the powers conferred by this section, comply with such general directions as may be given by the Board from time to time with respect to the conduct of investigations under this section.

These are consequential amendments, which have already been explained.

Amendments carried; clause as amended passed.

Clause 4 and title passed.

Bill read a third time and passed.

STATUTES AMENDMENT (CONSENT TO MEDICAL AND DENTAL PROCEDURES AND MENTAL HEALTH) BILL

Adjourned debate on second reading.

(Continued from 30 March. Page 3704.)

The Hon. R.J. RITSON: The Opposition supports this Bill without reservation and with no amendments. The Bill does two things. It ensures that dental practitioners are in the same position as medical practitioners with regard to two matters. In relation to the first matter, the subject dealt with is the liability of a practitioner treating a patient who is incapable of legal competence to consent and where there is an emergency situation.

Secondly, the Bill deals with the matter of elective or non-urgent treatment of people who are not able to consent. In practical terms, the dental profession was concerned with its position in the treatment of people with an intellectual or cognitive defect, either without a guardian at all, being of adult years and not under guardianship, or perhaps where there was no guardian to be found. The profession wishes to be placed in the same position as medical practitioners, that is, of being able to make application to the Guardianship Board and have consent in that way.

My advice is that the profession was not actively seeking the amendment in relation to emergency surgical treatment because their advice was that in those cases they would have available to them the defence of necessity. However, as the Government has in any case drawn up the Bill in a way which gives them the same provisions as it gives medical practitioners in relation to emergencies, the dental profession certainly does not object to that, although its primary concern was that of dental practitioners carrying out elective surgery on people with intellectual or cognitive disabilities who had no guardian in the legal sense. As I say, the Opposition supports this Bill and undertakes to expedite its passage.

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

LOTTERY AND GAMING ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 7 April. Page 3885.)

The Hon. L.H. DAVIS: This area is of some interest to members, certainly members who are out communicating with people because it brings them into contact with front bars and saloons where lottery tickets and beer tickets are often sold. This amendment to the Lottery and Gaming Act addresses in particular the licensing system for the printing and supplying of instant lottery tickets. It is quite obvious that more than one Government inquiry over the past six years has found that there are some concerns in this important area.

Members will recognise that instant lottery tickets, whether we are talking about bingo tickets, beer tickets, or instant money tickets sold in hotels, clubs and sporting associations, are a very popular form of raising money. The 1987 working party which had been set up by the Minister of Recreation and Sport established that there had been too many instances of malpractice in this area. There were examples of sweetheart deals with lottery promoters making false declarations about actual ticket sales. There are examples where ticket numbers were duplicated. Most alarming of all were examples where winning tickets were identified in advance. Certainly on more than one occasion anecdotal information was presented which would indicate that certain unscrupulous proprietors or people involved with the sale of these instant lottery tickets have taken out some of the winning tickets before they have become generally available for the public, whether it be in a hotel or sporting or other club.

There was also some variation in the quality and type of tickets. There was criticism in the working party report of the paper texture and the adhesion of the tickets, the quality of the tickets. It may well be argued that Governments have no business in the bar rooms of the country in the selling of tickets, and that one should not be too concerned with matters of this nature. But we do have regulations in the area of lottery and gaming for good reason. We have seen over many years now the Lotteries Commission raise tens of millions of dollars for the hospitals of South Australia, and one would hope that it does find its way to the hospitals. I am pleased to say that I cannot recollect abuse of any lottery or game of chance conducted by the Lotteries Commission since it was established many years ago.

However, if we have examples of abuse in the instant lottery ticket area, quite clearly it should be addressed by the Government, and the Bill seeks to provide a licensing system for printers and suppliers of instant lottery tickets. It seeks to ensure that the problems that have been identified by working parties are overcome. Clause 3 provides for the licensing of instant lottery tickets. New section 15 defines an instant lottery ticket and also the supply of the instant lottery ticket. New section 16 requires suppliers of tickets to be licensed.

Obviously this situation has to be monitored to make sure that the licensing system works satisfactorily. The Opposition does not object to the principle in the Bill. It wants to indicate that it will monitor closely the operation of this amendment to the Lottery and Gaming Act. Also, it is pertinent to note that the 1987 working party established by the Minister of Recreation and Sport made a number of recommendations and indeed these have been acted on in

the Bill. In particular I refer to the following recommendations:

1. That printers and suppliers of instant lottery tickets should be licensed and subjected to strict standards in accordance with Government criteria.
2. That, where it is desired to conduct instant lotteries in a hotel, the hotel licensee should be issued with the sole minor lottery licence to do so and that the licensee would assume full responsibility for the conduct of these lotteries in the hotel.
3. That consideration be given to adopt option 'A' or 'B' on the disbursement of net proceeds from instant lotteries in hotels as outlined in the working party's alternatives with emphasis on the rationalisation of such proceeds.
4. That financial returns under the minor licence category be prepared by qualified accountants or auditors should the net proceeds derived in one year exceed $2 000.

They were the major recommendations of the working party, but only one of those recommendations has in fact been covered in the Bill, namely, the licensing of printers and suppliers of instant lottery tickets. It is pertinent to ask the question: 'What is the Government doing about the other recommendations of the working party?' With those remarks I indicate the Liberal Party does support the Bill.

The Hon. J.R. CORNWALL (Minister of Health): I thank the Hon. Mr Davis for his contribution. I was quite impressed by it. I have not seen a better performance and analysis of a Bill, a contemporary analysis of a Bill, in such fashion since the Hon. Mr Hill was at his peak almost a decade ago. I thank him very much for his contribution and for that analysis which, albeit extempore, seemed very nicely to sum up the spirit and intent of the legislation.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Insertion of Part III.'

The Hon. L.H. DAVIS: As I indicated in my second reading contribution the Liberal Party does not disagree with this Bill, which seeks to provide a licensing system for printers and suppliers of instant lottery tickets. However, I want to ask the Minister why the other recommendations made by the 1987 working party established by the Minister of Recreation and Sport have not been taken up.

The Hon. J.R. CORNWALL: That is a vexed question. In summary, basically two things can happen to the profits from lotteries which are usually run by the social club of the hotel. There are those who believe passionately that the distribution of those profits ought to be the province of the participants. In other words, if a social club is run by the publican and his regular customers, those profits should go to local charities nominated by the social club, and some of the profits should be available to the social club in order to conduct social functions from time to time. There are other—and I have to declare a vested interest—who believe that a significant percentage of those profits should go to things like community welfare grants and to boost the grant moneys available at the discretion of the Minister of Recreation and Sport.

The working party made recommendations with respect to those areas. There has been some preliminary consideration, and I think it is probably fair to say that those of us who are sensitively in touch with the people, whether it is in the front bar of the Bayview Hotel at Whyalla or anywhere else in the real world, are still wrestling with the problem as to what percentage should be distributed, to whom and in what way. To date no firm decisions have been taken in those rather dificult areas.

The Hon. M.J. ELLIOTT: I want to ask a question which is of a similar ilk to the one just asked. From time to time I have come across rumours that social clubs are extremely narrow in their membership; for instance, sometimes they comprise the pub owner and his sons and daughters and not much more than that, and there is widespread abuse. How does the present law stand in relation to those sorts of practices? Are they being picked up?

The Hon. J.R. CORNWALL: One of the major reasons for establishing the working party was for precisely the reason outlined by the Hon Mr Elliott. There have been all sorts of irregularities that the Government proposes to eliminate. For example, in relation to the social club that on odd occasions comprises a small number of members, I think that there is not the slightest doubt that the profits are being used principally to employ an extra bar attendant and so forth. While these may be isolated incidents, there are enough of them to cause the Government considerable concern.

I point out that I am not the Minister to whom this legislation is committed, but, as I understand, the powers to ensure that there are fair practices and fair play are adequate in the legislation, but in practice in the past that has not always been the situation. There will be a general tightening up of many of these things, particularly to ensure that there cannot be any rort in respect of raffling the same chook three times, or, as the Hon. Mr Davis pointed out, somebody knowing how to back a winner with monotonous regularity. Those things will not be possible under the amendments, and I believe that we will see a far greater measure of fair play.

The question of how broadly games ought to be distributed will remain vexed and will need to be carefully monitored. I do not know that there have been too many occasions when a social club has consisted of the publican, one son and one daughter, but there have been occasions when a social club has consisted of the publican and a favoured few. That is one of the problems that the Court is grappling with at this moment: how much money is actually put in by casual drinkers and how much is put in through beer tickets by regulars and, therefore, how much say should the regulars have in the distribution of profits and how they should be disbursed.

In summary, the Government feels that the powers and procedures will be adequate. What it now needs to decide is whether there should be guidelines within which social clubs themselves distribute money to local charities or whether there needs to be a degree of central pooling so that there is a considered distribution of at least some of those profits to a much broader body similar to the Community Welfare Grants Advisory Committee. To date there have not been any firm decisions reached in those areas.

The Hon. L.H. DAVIS: On page 2 of the Bill the definition of 'to supply', in relation to instant lottery tickets, means to sell, or supply for fee or reward, instant lottery tickets to a person for the purpose of the resale of the tickets by that person. I am not familiar with the printing of instant lottery tickets, but the second reading explanation specifies that the licensing system is for printers and suppliers of instant lottery tickets. I take it that the word 'supply' is used in the broader sense encompassing printers as well as middle men or middle persons—whatever the phrase may be these days. Quite clearly that is my understanding of the definition and I would like the Minister's confirmation of that fact.

The Hon. J.R. CORNWALL: The working party referred to the licensing of printers and suppliers of instant lottery tickets. It is true that the Bill refers only to suppliers. My advice is that in legal terms it has been acknowledged that a printer is in fact and in practice a supplier of such tickets and the designation encompasses both areas of activity. So, the Hon. Mr Davis is quite correct in his presumption.

Clause passed.

Clause 4—'Insertion of section 119.'

The Hon. L. H. DAVIS: I understand that quite comprehensive regulations govern the granting of the licence and its terms and conditions. I accept that the Government may not as yet have the regulations in place for printers and suppliers of instant lottery tickets.

Presumably, it would make sense to ensure that the printers and suppliers of lottery tickets regularly reported on the distribution of those lottery tickets so that any irregularities might be observed and action taken. In respect of the drafting of the regulations, is it intended that there will have to be a quarterly or six-monthly report from the printers and suppliers of instant lottery tickets, covering any irregularities and the clubs, hotels and associations to which they have distributed instant lottery tickets?

The Hon. J.R. CORNWALL: I think the best way to respond to that is to point out that two specific recommendations of the working party have been formally adopted by the Government other than the licensing of printers and suppliers. One is that where lotteries, under a minor lottery licence, such as instant tickets, are conducted in a hotel the hotel licensee will be the sole licence holder and, consequently, he or she will be responsible for the conduct of those lotteries—so there will be a direct line of accountability. The other recommendation that the Government has formally adopted is that where the net proceeds derived under the minor lottery licence category exceed $2 000 per annum the financial statement to the department at the end of the annual period must be certified by a qualified accountant or auditor. This will thus tighten up the existing practice quite considerably.

Clause passed.

Title passed.

Bill read a third time and passed.

ADJOURNMENT

At 10.19 p.m. the Council adjourned until Wednesday 13 April at 2.15 p.m.